

Audit Committee Agenda



Date: Monday, 25 September 2023

Time: 2.00 pm

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

Distribution:

Councillors: Andrew Brown (Chair), Tony Dyer (Vice-Chair), Fabian Breckels, John Geater, Zoe Goodman, Jonathan Hucker, Guy Poultney, David Wilcox, Adebola Adebayo, Simon Cookson, Amirah Cole and Tim Kent

Copies to: Simba Muzarurwi (Chief Internal Auditor), Denise Murray (Director - Finance & Section 151 Officer), Nancy Rollason (Head of Legal Service), Husinara Jones (Solicitor), Alison Mullis, Tony Whitlock, Lucy Fleming (Head of Democratic Engagement) and Richard Young (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, 15 September 2023



Agenda

1. Welcome, Introductions and Safety Information

(Pages 5 - 7)

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 8 - 17)

5. Action Sheet

(Pages 18 - 19)

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 **19 September 2023**.

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 **22 September 2023**.



7. Work Programme

To note the work programme.

(Pages 20 - 22)

8. Grant Thornton ISA 260 Report

Appendix 1: Grant Thornton’s Audit Report 2021/22 – to follow

(Pages 23 - 25)

9. Statement of Accounts Year Ended 31 March 2022

Appendix 1 Statement of Accounts 2021/22 – to follow

Appendix 2 Letter of Representation - to follow

(Pages 26 - 29)

10. Internal Audit Activity Report

(Pages 30 - 42)

11. Internal Audit Q3 Priorities

(Pages 43 - 49)

12. Treasury Management Annual Report 2022/23

(Pages 50 - 69)

13. Risk Management Annual Report 22/23

(Pages 70 - 75)

14. Q2 Corporate Risk Report - To follow

15. Audit Committee Corporate Risk Deep dive - CRR13 (MTFP)

(Pages 76 - 81)

16. Annual Report of the Local Government and Social Care Ombudsman

(Pages 82 - 118)

17. Digital Transformation Programme Update.

(Pages 119 - 125)

18. Update regarding Governance changes relating to the councils wholly owned companies. - September 2023



(Pages 126 - 136)

19. Bristol City Council Trading Companies Annual Comprehensive Assurance statements

(Pages 137 - 190)

20. Exclusion of Press and Public

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

21. Exempt Information relating to BWC

(Pages 191 - 193)

22. FM Code Compliance Final (Annual Governance Statement 2022/23) -For information only

Refreshed to incorporate the External Auditors VFM recommendations

(Pages 194 - 226)



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-notice-for-resource-services



Bristol City Council Minutes of the Audit Committee

24 July 2023 at 3pm



Members Present:-

Brown (Chair), Dyer (Vice-Chair), Breckels, Cole, Goodman, Hucker, Poultney, Smith (substitute for Councillor Geater) and Wilcox.

Independent Members of the Committee: Adebola Adebayo and Simon Cookson

Officers in Attendance:-

Denise Murray – Director of Finance, Sarah Chodkiewicz – Head of Financial Management, Simba Muzarurwi – Chief Internal Auditor (CIA), Richard Young – Head of Strategic Finance, Alison Mullis – Deputy Chief Internal Auditor, Allison Taylor – Democratic Services

Also in attendance:-

Hugh Evans – Director Adults and Communities, Steph Griffin - Director Workforce and Change, Christina Czarkowski-Crouch – Head of Safety, Health & Wellbeing, Pete Anderson – Director, Property, Assets & Infrastructure, Jon Roberts, Beth Bowers & Ginette Beal – Grant Thornton, Joachim Adenusi – Risk & Insurance Officer, Phil Eames – Audit Manager, Kevin Smith – Operations Manager Revenue, Melanie Watson – KPMG

1 Welcome, Introductions and Safety Information

The Chair welcomed all parties to the meeting. The Committee noted the emergency evacuation procedure for the Council Chamber if required.

2 Apologies for absence.

Apologies for absence received from Councillor Geater with Councillor Smith as substitute.

3 Declarations of Interest.

There were none.



4. Minutes of Previous Meeting.

Item 5 – Confirmation of Vice Chair. It was noted that this should read *'It was noted that Councillor Dyer had been appointed as Vice Chair of Audit Committee by Full Council on 9 May 2023.'*

Item 15 – Internal Audit Annual Report 22/23. To add bullet point *'It was agreed to add Procurement Breaches to the Work Programme and to also arrange member briefings after the July Audit Committee.'*

RESOLVED – that, subject to the amendments noted above, the minutes of 30 May 2023 be approved as a correct record and signed by the Chair.

5. Action Sheet.

This was noted.

6. Public Forum

It was noted that Public Forum Statements and Questions would be considered at the beginning of the respective item to which they related.

7. Work Programme

The Committee noted the Work Programme for future meetings and in particular that the Companies would report to the September Committee.

8. Interim Auditors Annual Report on Bristol City Council 2021/22 & 22/23.

The Committee noted the response for the questions submitted by Suzanne Audrey and the Chair invited a Supplementary Question.

Suzanne Audrey - Supplementary Question – 'Is it possible that there will be a default position of disclosure to the public for the lessons learned report on the Bristol Beacon unless there is something commercially sensitive?'

Response from the Director – Finance – 'The report will be shared unless the Monitoring Officer decides there are parts which can't be shared due to commercial sensitivity – the commitment is there.'

Petition on the Bristol Beacon. – Suzanne Audrey spoke to the submission and it was:-

Resolved – That the content of the petition be noted & it be referred to the Mayor's Office for consideration.

The report was summarised for the benefit of the Committee and the following points were highlighted:-



1. There had been a backlog of external audit work at a national level and stakeholders had worked to find a practical solution;
2. One solution was a backstop. Where there had been multiple years of unsigned audit opinions the most recent year would be worked on in order to provide an open and closing position for that year. It was noted that BCC's accounts were only delayed by a couple of months whereas other LA's were in a far worse position; Another solution was to not include pensions and property valuations as they did not drive Council tax levels. These were both welcome developments.

The following points arose from discussion:-

1. The Dedicated School's Grant (DSG) deficit would be £128M if nothing was done. Officers had worked with Stakeholders and the Schools Forum and devised a plan of proposals which would result in a reduction of the deficit to £49M for 23/24. The DfE had not stated any clear position at this stage. The DfE had signed off on a 3 year safety valve programme to work with LA's to more effectively manage their DSG's. Officers were working with a number of different elements and making really good progress so that the 3128M deficit did not happen. It was noted that the DSG position was reported to every Schools Forum meeting. The Committee noted that the Director of Children's Services would be leaving and sought assurance that in the interim period this work would be driven forward. The Director Finance agreed to share the the governance document of Our Families Board with the Committee so that the Committee could be assured of the number of officers involved in this work;
2. The representatives for GT stated that here were no clear trends identified for identifying savings. There was a need (as with all LA's) to start the process earlier, be bolder and have higher expectations of what can be achieved. It was noted that the BCC had made improvements on this work last year. Regarding the DSG BCC had recognized there was an issue and was working with the Schools Forum to mitigate but the numbers were big and had the potential have a bearing on the overall budget;
3. For the new Committee system the monthly budget reports would be timetabled for the relevant Committees;
4. There was some discussion regarding the interest rate used for borrowing on the Bristol Beacon. The Director Finance stated that Ernst Young were independent consultants and would not put their own reputation at stake by inaccurately reflecting the position;
5. It was noted that there was a full, detailed report of all the additional works which had been required during the reconstruction of the Bristol Beacon;
6. The Committee noted that great steps had been made to strengthen the procurement processes for BCC. The contract management system was now in place along relevant frameworks, forward planning, and induction and relevant training for staff. All these arrangements would help bring about full compliance;
7. GT reported that there were no particular trends or reasons for the high level turnover of finance staff;
8. It was noted that there were some improvement recommendations carried over because they were long term issues which take time to resolve;
9. GT reported that it was becoming harder to identify savings and they invariably came through transformation. A dashboard mechanism was being used to monitor demand pressures and to ensure they were being addressed;
10. Reference was made to Adult Social Care and an agreed review of lessons learned progress made on the 2021/22 transformation programme which was expected in April 2023 and had yet to be delivered. The Director Finance agreed to report back when this would be undertaken;
11. It was noted that paragraph 2, Page 43 of the GT report was incomplete;
12. GT reported that the independent inquiry into Bristol Beacon should have commenced in June 23 with a phased approach completing in January 24.



Councillor Poultney arrived.

Resolved - That Grant Thornton's Interim Auditors Annual Report for 2021/22 and 22/23, focusing on their value for money assessment, along with an action plan agreed by management be noted.

The Chair agreed to change the order of the agenda and to consider item 13 at this point.

9 Q1 2023/24 Corporate Risk Report Update.

The report was summarised for the benefit of the Committee and the following points arose from discussion:-

1. It was agreed to review the suggestion that the Corporate Risk Register would be easier to analyse if the risk was shown always decreasing;
2. It was confirmed that the DSG overspend risk was part of the overarching corporate financial risk which was CRR13;
3. It was noted that the Business and Budget Planning Board would develop a MPFT and was an internal officer group looking at business plans;
4. The Director Finance reported that the first year of the CIPFA Code had been a journey towards compliance and for the last two years there had been full compliance;
5. With reference to Page 11 – CRR13 Threat Risk – the Committee was assured that all processes had begun including Task and Finish Groups and would be reported back at the next quarter report;
6. It was noted that there were ongoing conversations regarding opportunities in relation to CRR13;
7. CRR18 – it was agreed to respond outside of the meeting regarding the reason for the narrative stating 'economically active residents' instead of just 'residents';
8. It was agreed that the Committee would receive a deep dive report at the September meeting on CRR13.

Resolved – That the Q1 2023/24 Corporate Risk Report be noted.

10. Internal Audit Update Report.

The report was summarised for the benefit of the Committee and the following points arose from discussion:-

1. In response to a comment regarding the monitoring being insufficiently robust the CIA stated that it was inevitable that some actions took time to embed and the partial implementation status is appropriate. Testing is undertaken to obtain sufficient evidence that confirm the status of the actions and management's word alone was not accepted as evidence. There were always room for improvements but he was comfortable with the method of monitoring and reporting;
2. Before passing an official judgment, robust discussions with management are held which are followed up with evidence regarding how complete an action was.

Resolved - That the Internal Audit Update Report highlighting the planned key activities for Quarter 2 and the implementation of agreed management actions be noted.



11. Internal Audit – Exceptions Report.

Appendix 1 was summarised by the Audit Manager and the Head of Financial Management gave the Committee on the actions that had already been completed and those that were still work in progress and the following points arose from discussion:-

1. The Director Finance confirmed that there had been a need to clarify explicitly the definition of a saving so that it was fully understood as savings came from efficiencies and income generation;
2. There was a monthly monitoring report to the Delivery Executive and detailed reports to Cabinet. At year end the tracker was updated and officers confirmed if savings had been delivered.

Appendix 2 was summarised by the Audit Manager and the Director Adults and Communities updated the Committee on the actions being taken to address the issues identified and the following points arose from discussion:-

1. The overall marker for demand in the service was the bottom line. There was a need to mitigate demand. Spend was high in the South West for adult social care and this was related to over prescription. This was under constant review to get the level of need down to the appropriate level after leaving hospital. Work was underway to develop local providers to obtain better value.
2. In response to the finding that the Head of Service was not confident that managers were able to manage their budgets the Director – Adults and Communities stated that there was an expectation and this was a criteria in the job description. Systems had changed in order to develop simpler ways to work and obtain contemporaneous information;
3. Work was underway to create a means of monitoring spend in context of the overall budget;
4. The CIA reported that there was limited assurance and this would be followed up in 6 months and if there was no assurance it would be brought to this Committee.

Appendix 3 was introduced by the Senior Manager - KPMG and the Director of Property Assets and Infrastructure updated the Committee on actions being taken to address the issues that had been identified in the audit. The following points arose from discussion:-

1. The capital receipts target for savings was £36M and the value of estate was £300M. All areas were being reviewed to achieve this target;
2. The receipts were needed to fill the capital programme. Properties had been identified and these could be opportunities for care homes or for children and opportunities for HRA;
3. There was some discussion regarding approval for corporate property disposals being delegated or being required to go before Cabinet. It was agreed that a definitive answer be sought and reported back to the next Committee;
4. The property tracker already existed but details were not up to date. The property strategy was aligned through the transformation programme and would go to September Cabinet.



Appendix 4 was introduced by the Senior Manager - KPMG and the Director of Workforce and Change updated the Committee on actions being taken to address the issues that had been identified in the audit. The following points arose from discussion:-

1. It was hoped to have a new suite of KPI's in the Autumn and these would go before HR Committee and hopefully be in place for the Q2 report;
2. Para 4.6 – The survey was about management's response to Health and Safety responsibilities and duties.

Resolved – That the report be noted and the Committee be assured from management regarding the issues highlighted in the report.

12. Audit Committee Annual Report to Full Council – Draft Report.

The report was summarised for the benefit of the Committee and it was noted that the report would go to Full Council on 12 September. The Committee was content with the contents of the report and it was therefore:-

Resolved - That the Audit Committee's Draft Annual Report to Council for 2022/23 be approved.

13. Update on the Council's Debt and Arrears Position.

The report was summarised for the benefit of the Committee and the following points arose from discussion:-

1. It was agreed to respond to the Committee outside of this meeting concerning whether the parking write off data included PCN's which were cancelled;
2. With respect to Table 11 it was clarified that the write off figure was bigger than the arrears outstanding as PCN's being paid gradually showed as outstanding until fully paid;
3. It was clarified that some of the £76m outstanding was part of the £160M invoiced and £24.331M was debt prior to 22/23;
4. It was confirmed that the standard time for payment of invoices was 30 days but as a result of the cost-of-living crisis BCC would accommodate requests for a longer period before payment. The corporate policy was clear but it was important to look after customers;
5. It was noted that there were statutory steps for certain debt types;
6. It was noted that the statistics for benefits processing changes was very good;
7. It was noted that some invoices raised at the start of the year had not moved quickly through the recovery process but the Committee was assured that officers were on top of collection activity;
8. It was noted that in Table 11 the amount collected in following year column figure is same for 21/22 & 22/23 and it was agreed to report back outside of the meeting if this was coincidence or error.

Resolved - That the internal debt / arrears update report to the period 31 March 2023 and the ethical approach to debt collection being taken to address this position be noted.



14. Date of Next Meeting

The next meeting is scheduled to be held on 25 September 2023 at 2pm.

The meeting ended at 6.20pm.

CHAIR _____





17 Date of Next Meeting

The next meeting is scheduled to be held at ???

The meeting ended at ???

CHAIR _____





Audit Committee Action Sheet – 24 July 2023

Action number	Item/report	Action	Responsible officer(s)	Action taken / progress
1	8 – Interim Auditors Annual report on BCC 21/22 & 22/23	To provide the governance document of Our Families Board	DM	AT Circulated to the Committee 1/8
2	8 – Interim Auditors Annual report on BCC 21/22 & 22/23	Page 42 of Auditor’s report – when will the lessons learned review on the 21/22 transformation programme be delivered	Hugh Evans	Lessons learned workshop was held on 28 Feb
3	13 - Q1 Corporate Risk Report Update	CRR18 – why does it state ‘economically active residents’ and not just ‘residents’	Joachim Adenusi	The officer who initially wrote the risk has now left the council. The new responsible officer has now suggested a rewording of the risk as follows: “Possible failure of the city to deliver to the Mayoral Target of 2000 new homes per year by 2024. Strategies and delivery models designed to further stimulate growth in the housing market and deliver diversity of the housing offer across the city prove to be ineffective and do not deliver enough and relevant mix of units.”
4	13 - Q1 Corporate Risk Report Update	To review the suggestion that the Corporate Risk Register would be easier to analyse if the risk was shown always decreasing	Joachim Adenusi	The next report will now reflect presenting the CRR risks in ascending order of the reference number as suggested.

5	13 - Q1 Corporate Risk Report Update	CRR13 – to receive ‘deep dive’ report at September meeting	Sarah Chodkiewicz	On agenda for 25 Sept Cttee
6	10 – Internal Audit Exceptions Report	Appendix 3 – para 4.2 – To provide clarity regarding Scheme of Delegations - values which require Cabinet approval and which can be delegated.	Pete Anderson	To follow - due to annual leave
7	12 – Update on the Council’s debt & arrears position	Did the parking write off data include PCN’s which were cancelled	Kevin Smith	The data for Parking Services shows write offs by category but doesn’t include any PCNs which are cancelled (for example following an appeal). Circulated to cttee 11/8
8	12 – Update on the Council’s debt & arrears position	Table 11 – Amount collected in following year column figure is same for 21/22 & 22/23 – to clarify if this is coincidence or error	Kevin Smith	Clerical error in the box for 22/23 – should read ‘TBC’

**AUDIT COMMITTEE
WORK PROGRAMME 2023/24**

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
30-May-23 2:00PM	External Audit	Auditors' Annual Report for 2021/22 and 2022/23	Routine	1.8/1.9	Grant Thornton
	Internal Audit	Internal Audit Annual Report 2022/23	Routine	1.4	Chief Internal Auditor
		Annual Fraud Report 2022/23	Routine	2.4/2.10	Chief Internal Auditor
		Draft Annual Governance Statement 2022/23	Routine	2.5/4.4	Chief Internal Auditor and Director - Finance
		Internal Audit Plan - Quarter 2 2023/24	Routine	1.2	Chief Internal Auditor
	Finance:	Draft Statement of Accounts 2022/22	Routine	3.1	Director - Finance
Update on 2021/22 Annual Governance Statement Issues		Routine	3.1	Director - Finance	
Risk & Insurance	Corporate Risk Report (Q4)	Routine	4.1/4.3	Risk & Insurance Manager	
	SIRO Assurance Report	Routine	4.1/4.3	Director of Legal and Democratic Services (SIRO)	
Other	Audit Committee Terms of Reference	Routine	-	Director of Legal and Democratic Services	
Jul-23	External Audit	Auditors' Annual Report for 2021/22 and 2022/23	Routine	1.8/1.9	Grant Thornton
	Internal Audit	Internal Audit Activity Report	Routine	1.5/1.6/1.7	Chief Internal Auditor
		Audit Committee Annual Report to Full Council (Draft)	Routine	5.1	Chief Internal Auditor
Finance	Debt Write Off Report	New - Routine		Director - Finance	
Sep-23 2:00 PM	External Audit:	External Audit Progress Report	Routine	1.8/1.9	Grant Thornton
	Finance:	Treasury Management - Annual Report	Routine	3.3	Director - Finance
		Final Statement of Accounts and AGS	Routine	3.1/2.5	
	Internal Audit	Internal Audit Activity Report	Routine	1.5/1.6/1.7	Chief Internal Auditor
		Internal Audit Plan - Quarter 3 2023/24	Routine	1.2	Chief Internal Auditor
	Risk Management:	Risk Management Annual Report	Routine	4.1/4.3	Risk and Insurance Manager.
Review of Specific Corporate Risk - CRR13		Routine	4.1/4.3	Director of Finance	
Corporate Risk Report (Q2)		Routine	4.1/4.3	Risk and Insurance Manager	
Customer Relations	Annual Report of Local Government and Social Care Ombudsman Decisions	Routine	1.12	Customer Relations Manager	

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
	Other	Governance of Council Companies Bristol Waste Limited - Audit and Risk Committee Assurance Goram Homes - Audit and Risk Committee Assurance	Routine Routine Routine	2.5/4.4 4.4 4.4	Shareholder Liaison Manager Bristol Waste Limited Goram Homes
		Digital Transformation Programme Update	Routine	4.1/4.3	Director: Policy, Strategy and Digital
20 November 2023 2:00 PM	External Audit:	External Audit Findings Report for 2022/23	Routine	1.8/1.9/3.2	Grant Thornton
	Finance:	Treasury Management Mid-Year Report Procurement Breaches Report	Routine Routine	3.3	Director - Finance Director - Finance
	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 Internal Audit Plan - Quarter 4 2023/24	Routine Routine Routine Routine Routine	1.5/1.6/1.7 2.4./2.10 5.1 1.1/1.6 1.2	Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor
	Other	Adult Social Care Transformation Programme Update Children and Families Transformation Programme Update Update of SEND and DSG Improvement Plans	Routine	4.1/4.3	Executive Director: Adults and Communities Executive Director Children and Education Executive Director Children and Education
29-Jan-24	External Audit:	External Audit Plan for 2023/24	Routine	1.8/1.9/3.2	Grant Thornton
	Finance	Procurement Breaches Report	Routine		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
	Other	Property Management Programme Update Temporary Accommodation Programme Update			Director: Property Assets & Infrastructure Director Housing and Landlord Services
Mar-23 3:00 PM	External Audit:	External Audit Plan for 2023/24	Routine	1.8/1.9/3.2	Grant Thornton
	Finance	Procurement Breaches Report	Routine		Director - Finance
	Internal Audit:	Draft Internal Audit Annual Plan 2024/25 Annual Whistleblowing Update	Routine Routine	1.2 2.4	Chief Internal Auditor Chief Internal Auditor
	Legal:	Code of Corporate Governance	Routine	2.6	Director: Legal & Democratic Services
	Corporate:	AGS 2022/23 - Actions Tracking Update	Routine	2.5/4.4/1.7	Director: Finance

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
		External Inspections Update	Routine	4.4	Head of Executive Office

Audit Committee

25 September 2023



Report of: *Grant Thornton UK LLP*

Title: *Grant Thornton ISA 260 Report*

Ward: *City Wide*

Officer Presenting Report: *Grant Thornton UK LLP*

Recommendation

The Audit Committee note, and comment as appropriate, on Grant Thornton's Audit Report for 2021/22 and the action plan agreed by management.

Summary

Attached to this report is Grant Thornton's Audit Report to those charged with governance, which highlights the key issues arising from the audit of the Council's financial statements for the year ended 31 March 2022. This report enables Grant Thornton to discharge their responsibilities in accordance with International Standards of Auditing (ISA) 260.

There remain a number of issues under review and officers are working with Grant Thornton to bring these to a conclusion prior to the end of September. Assuming these are concluded satisfactorily Grant Thornton intend to issue an unqualified audit opinion on the Council's financial statements.

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

Grant Thornton have discussed and agreed the findings of the audit with the Director of Finance and with Senior Finance Officers.

2. External

None

Background and Context

1. Grant Thornton is required to form an opinion on the Council's annual financial statements. This report sets out the outcomes of the audit of the Council's financial statements and the issues arising.
2. Jon Roberts will be attending the Committee and will be pleased to answer Members' questions.

Other Options Considered

Not applicable

Risk Assessment

None necessary for this report

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1: Grant Thornton's Audit Report 2021/22

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Audit Committee

25 September 2023



Report of: Director of Finance

Title: Statement of Accounts Year Ended 31 March 2022

Ward: City Wide

Officer Presenting Report: Denise Murray

Contact Telephone Number: 0117 3576255

Recommendation

1. Audit Committee approves the Statement of Accounts for the year ended 31 March 2022.
2. Audit Committee delegate to the Chair the signing of the Letter of Representation as soon as the audit has been satisfactorily concluded.

Summary

This report should be considered alongside the ISA260 report being presented by the Council's external auditor.

The Statement of Accounts sets out the Council's financial position as at the 31 March 2022 along with a summary of its income and expenditure for the year to 31 March 2022. The financial statements are the main method of demonstrating financial accountability and stewardship.

Grant Thornton have substantially completed their audit work on the financial statements, and subject to the resolution of outstanding queries, anticipate issuing an unqualified audit opinion. The audit has identified a number of adjustments and presentational changes to the accounts since the draft Statement was presented to Members on 26 July 2022. These are summarised in this report.

Policy

None affected by this report.

Consultation

- 1. Internal**
Executive Members and senior management
- 2. External**
The draft accounts were available for public inspection.

Background and Context

1. Audit Committee last considered the draft accounts at its meeting of 26 July 2022. There have been a number of corrections and technical adjustments made to the Statement since its last publication and these are detailed in paragraph 4 below.
2. The Council's Statement of Accounts has been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) which is based on International Reporting Standards (IFRS). This is necessary to ensure that accounts of all Government funded bodies provide comparable and consistent information.
3. The annual accounts presented for approval have been audited by the external auditors, Grant Thornton, who have reviewed and undertaken significant testing of the financial statements and processes to complete them to ensure they have been prepared in line with regulatory and statutory requirements. Their findings and opinion on the accounts are reported separately as part of their findings report to Audit Committee.
4. The External Auditors, Grant Thornton, propose to issue an unqualified audit opinion on the Council's financial statements. There remain a number of outstanding matters under consideration. Prior to approving the accounts the Auditor requires that the Audit Committee considers the matters raised in the Annual Governance Statement for 2021/22. Members will note this was approved at the meeting on 27 June 2022. There have been no subsequent changes.
5. The Audit has identified several changes to the draft accounts previously circulated. Besides several minor corrections and updates to disclosure notes there are three more material adjustments impacting on the financial statements, two of which were unavoidable follow directly as a result to adjustments to the 2020/21 accounts and the third is the separation of government grant income in advance on the balance sheet. Details of each are provided:

- I. In 2021/22 the Council changed its valuation method for a number of assets from existing use value to depreciated replacement cost. As the 2020/21 comparative year remained open there was a requirement to carry out a similar exercise on the closing values of the same assets as at 31 March 2021. This has resulted in an increase in asset values as at 31 March 2021 of £14.3m. The accounts were subsequently amended to reflect these changes. However, as these changes were already in the 2021/22 accounts an adjustment is required, effectively between the revised balance brought forward from 2020/21 and the movement within 2021/22. (Note 20)
 - II. A national issue arose around the 2022 triennial valuation of the Local Government Pension Scheme (LGPS), which has resulted in adjustments to the accounts for all local authorities in 2021/22. Certain assumptions were made by the Actuary, including the derivation of the defined benefit liability from a roll forward of the 2019 valuation. Actuaries were asked to consider whether this will result in material changes to the 2021/22 accounts and as a result issued revised reports. The updated and revised actuarial calculations have been included in this set of accounts creating an unavoidable adjustment, leading to an increase in the overall pension liability by £20.958m. (Note 35)
 - III. During the audit a number of large items of government grant income have been reclassified in the accounts. There is no overall impact on the accounts other than reclassifying the disclosure of certain grant income in particular notes. The larger items include,
 - £16.6m S31 grant moved from non-service-related grants to business rates income (note 11)
 - £16.5m Better Care Funding moved from non-service-related grant income (note 11) to the People Directorate and disclosed in note 17
 - £5.3m grant for Syrian refugees moved from other to grant income (note 17)
 - A new line will be added to the balance sheet "Revenue Grants Received in Advance". This will split out revenue grants received in advance from other general income received in advance. There is no impact resulting in this change.
7. Attached at Appendix 2 is the Letter of Representation. This is provided by the Council in connection with the audit of the financial statements for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

Other Options Considered

Not applicable

Risk Assessment

The Statutory Accounts need to be formally published as soon as practicable. This report, together with the Annual Governance Statement, forms part of the assurance process.

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1 Statement of Accounts 2021/22

Appendix 2 Letter of Representation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Final Accounts working papers held in Corporate Finance



Audit Committee

25th September 2023

Report of:	Chief Internal Auditor
Title:	Internal Audit Activity Report
Ward:	Citywide
Officer Presenting Report:	Chief Internal Auditor

Recommendations

The Audit Committee notes the Internal Audit Activity Report for the period 1 April 2023 up to 10 September 2023 and receives assurance on actions being taken to complete the agreed priorities for the first half year of this financial year.

The Audit Committee notes the internal audit summary reports and takes assurance from management regarding the issues highlighted in the reports.

Summary

This report seeks to provide the Committee with a high-level update on internal audit activities since the last meeting. The report also provides the Committee with summary reports in respect of two areas for which internal audit work has recently been completed. The summary reports are provided in line with routine reporting protocols where a 'limited assurance' opinion is concluded.

The significant issues in the report are:

- The completion of the approved audit plan is progressing well, and satisfactory progress is being made in the implementation, monitoring and reporting of agreed management actions. The key outputs from the period under review include finalisation of work carried forward from 2022/23 and certification of a high number of grants. The status of planned audit work is shown in Appendix 1.
- There are two summary reports in respect of the areas where limited assurance was given. These relate to Agency Staff at Appendix 2 and Debt Management at Appendix 3.
- The Fraud team continued to prioritise whistleblowing referrals and fraud prevention activities including the implementation and use of the NFI Fraud Hub.

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 2023/24 Audit Plan. This update covers the period of 1st April to 10 September 2023 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 agreed audit priorities in 2023/24. As at the beginning of September 2023, all audit work carried forward from the previous year had 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 of 10 September 2023. Given the timing of this report most of the audits will be completed to draft stage at end of Q2. At the time of reporting there were appropriate mitigating actions to address any risks associated with the delivery of the agreed assurance priorities.
7. In considering this update, the Committee should note that consistent with the reporting cycle an Internal Audit Half Year Report will be presented in November 2023. This report will provide another update on the completion of the approved 2023/24 as well as setting out the status and assurance opinion for each of the planned reviews.

The following paragraphs provides a summary of some of the key outcomes or activities delivered during the period under review.

Grant Certifications

8. A significant amount of audit time was spent on grant certification work where 30 grants with a total value of £19m 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 working proactively with management has seen some improvements in the last few months.

Schools Audits

9. Work relating to schools' 2022/23 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. In relation to 2023/24, a risk assessment has been completed which has enabled the identification of 11 schools that will be audited this year.

Continuous auditing and continuous monitoring

10. Work is ongoing in implementing continuous assurance and monitoring methodologies in audit and fraud processes. With the support of KPMG, an operational strategy is being developed and work is ongoing to identify the key systems where regular automatic runs will be done. The increased use of analytic tools will increase audit efficiencies as well as enabling management to continually review business processes for adherence to and deviations from intended levels of performance and effectiveness.

Embedded Assurance

11. Consistent with the agreed priorities, Internal Audit is supporting the key projects and programmes through embedded assurance which sees the team working with programme and project teams to provide real time assurances as the programmes progress. This means governance and programme assurances are timely to enable necessary corrective actions as the project progresses. This should better support delivery of outcomes. As this engagement is largely advisory no assurance opinion is given but formal reports may be issued to highlight significant issues impacting the programme.

Review of Internal Audit Priorities

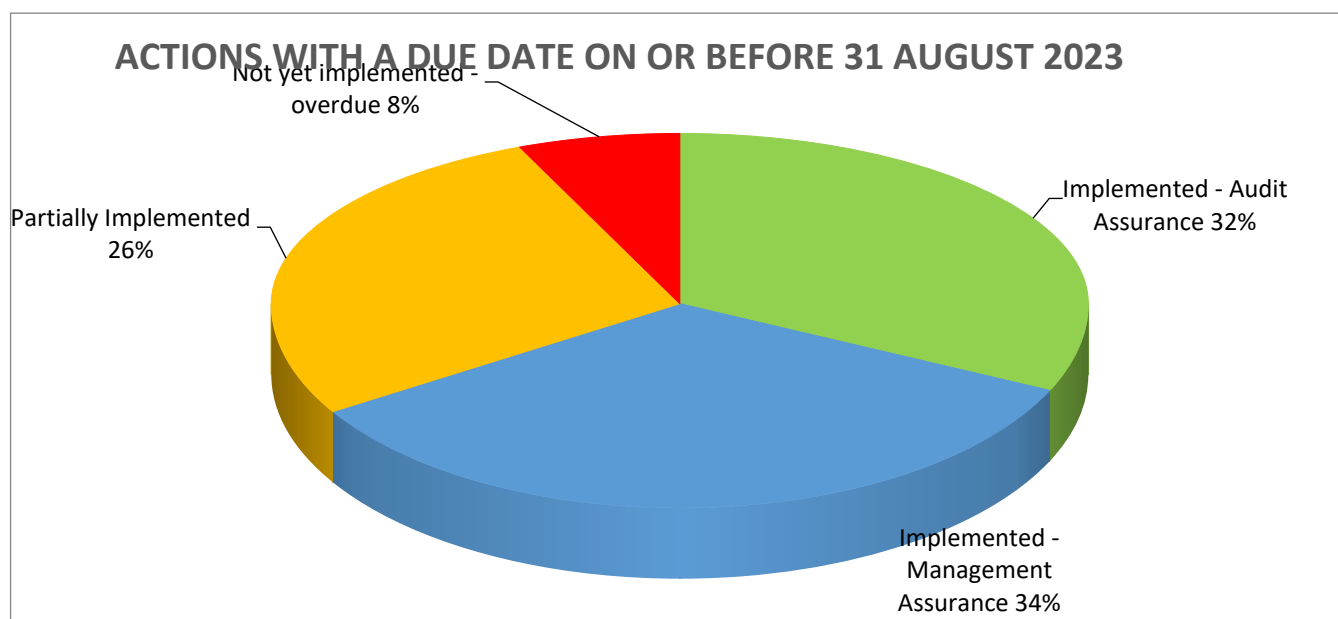
12. Consistent with the rolling plan methodology, internal audit priorities are agreed with the Committee on a quarterly basis. A separate report on Q3 priorities will be discussed as part of this meeting.

Implementation of Agreed Management Actions

13. 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 90% of agreed actions should be implemented by

the due date.

14. Internal Audit established that there were 319 agreed management actions that were due for implementation by 31 August 2023. As reflected by the pie chart below 92% of the actions were either implemented or partially implemented. This performance is slightly above the 90% target, and this reflects the impact of the new monitoring and reporting arrangements. Internal Audit are supporting management in reviewing all partially implemented actions ensuring that these are fully implemented and closed. The next report will give a clearer picture in terms of the progress being made in that respect. The increased scrutiny and oversight the regular reporting of outstanding actions at both Executive Director Meetings and Corporate Leadership Board meetings should be maintained to sustain this good performance.



Fraud

The Committee will receive the half year fraud report in the November meeting. However, during the period under review the focus was in the following areas:

- Developing an operational fraud prevention strategy
- Working collaboratively with Services to undertake fraud risk assessments
- Reviewing output from the National Fraud Initiative exercise
- Undertaking regular data matches through the fraud hub
- Managing whistleblowing arrangements and investigating allegations of fraud and corruption .

Internal Audit Exception Reporting

15. 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 Agency Staff and Debt Management summaries are presented at Appendices 2 and 3 for consideration and the relevant senior responsible officers will be in attendance to answer any questions the Committee may have.

16. 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

17. In compliance with the Committee's previous request, a virtual private briefing on Procurement Breaches was held on Tuesday 12 September 2023.

Proposal

18. The Audit Committee note the Internal Audit Activity Report and takes assurance from management regarding the issues highlighted in the report.

Other Options Considered

19. Not applicable

Risk Assessment

20. 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** – Agency Staff Internal Audit Review Summary

- **Appendix 3** – Debt Management Internal Audit Review Summary

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Public Sector Internal Audit Standards

Various Audit Files

Directorate	Area of Review	Status	Opinion
Resources	NNDR Collection	Complete	Reasonable
Growth and Regeneration	Climate Change	Complete	Reasonable
Corporate	Supply Chain and Third Party Risk	Complete	Reasonable
Adult and Communities	Food Equality Strategy	Complete	Reasonable
Adult and Communities	Adult Social Care Provider Failure	Complete	Reasonable
Corporate	Sickness Absence Management	Complete	Reasonable
Corporate	Procurement Compliance	Complete	Limited
Corporate	Health and Safety	Complete	Limited
Growth and Regeneration	Flood Risk Management	Complete	Limited
Resources	Debt Management	Complete	Limited
Resources	Agency Staff	Complete	Limited
Children and Education	Transition from Children in Care to Adults	Complete	Limited
Growth and Regeneration	Client Team re Companies	Complete	N/A
Children and Education	Schools Audit - 2022/23 Overarching Report	Complete	N/A
Corporate	Annual Governance Statement 2022/23	Complete	N/A
Children and Education	Schools Financial Value Standard	Complete	N/A
Adult and Communities	Care Quality Commission Assurance Framework Preparedness	Complete	N/A Position Statement
Corporate	Grant and Other Certifications	Complete	N/A
Corporate	Capital Programme Risk Assessment	Complete	N/A
Corporate	Management Actions Verification	Complete	N/A
Corporate	City Leap Governance	Draft Report	
Children and Education	DSG Improvement Plan	Draft Report	
Children and Education	SEND Plan in progress	Draft Report	
Growth and Regeneration	Homelessness	Draft Report	
Resources	Preparedness for Committee Governance	In Progress	
Corporate	Cyber Security	In Progress	
Corporate	Performance Management	In Progress	
Adult and Communities	Adult Social Care Transformation	In Progress	
Resources	Digital Strategic Partnership	In Progress	
Growth and Regeneration	Planned Repairs	In Progress	
Growth and Regeneration	Licensing Income	In Progress	
Adult and Communities	Refugees Settlement	In Progress	
Children and Education	Schools Follow Up 21/22	In progress	
Corporate	Continuous Auditing and Monitoring	Ongoing	
Children and Education	Embedded Assurance - Children and Education Programme	Ongoing	
Growth and Regeneration	Embedded Assurance - Temporary Accommodation Programme	Ongoing	
Growth and Regeneration	Embedded Assurance -Property Programme	Ongoing	
Corporate	Embedded Assurance - Capital Transformation Programme	Ongoing	
Growth and Regeneration	Embedded Assurance - ASEA Flood Programme	Ongoing	
Resources	Embedded Assurance - Digital Transformation Programme	Ongoing	
Growth and Regeneration	Embedded Assurance - Housing IT Transformation Programme	Ongoing	
Resources	Information Governance Board - Embedded Assurance	Ongoing	
Children and Education	Education Other Than at School	Scoping	
Resources	Records Management	Scoping	
Growth and Regeneration	Capital Projects Audit	Not started	
Growth and Regeneration	Housing Debt Management	Not started	

2023/24 Grant Certifications Completed

Directorate	Audit Name	Certified Value
Growth and Regeneration	A4018 Corridor Improvements Grant	£522,237.59
Growth and Regeneration	Active Travel Fund Tranche 3: Cotham Hill	£112,968.18
Growth and Regeneration	Active Travel Fund Tranche 3: Old Market Gap 31/6014	£280,314.35
Growth and Regeneration	Active Travel Fund Tranche 3: Park Row/Upper Maudlin	£149,437.43
Growth and Regeneration	Bristol City Centre and High Streets Recover and Renewal Grant	£638,083.16
Growth and Regeneration	City Centre Economic Development and Markets	£18,698.74
Growth and Regeneration	City Region Sustainable Transport Settlement	£2,371,217.00
Growth and Regeneration	Concorde Way/Dover Court Depot	£238,928.81
Growth and Regeneration	CTSI Funding for Lettings Agency 2022/23	£214,922.05
Growth and Regeneration	Digging For Delft	£47,946.58
Growth and Regeneration	ELENA programme for European Investment Bank (EIB)	£1,461,157.53
Growth and Regeneration	Frome Gateway Framework & Infrastructure Delivery Plan	£494,000.00
Growth and Regeneration	Future Bright	£520,337.94
Growth and Regeneration	Hawkfield Business Park	£3,109,750.70
Growth and Regeneration	High Street Renewal Catalyst Fund Grant	£59,451.00
Growth and Regeneration	Home Upgrade Grant Works (HUG'S 1)	£1,533,969.58
Growth and Regeneration	Home Upgrade Grant Works (HUG'S 2)	£108,152.17
Growth and Regeneration	Maintenance Challenge Fund - New Cut Bridges	£722,668.51
Growth and Regeneration	North and East Bristol – Universal Business Support Grant	£449,817.02
Growth and Regeneration	Old City And King Street 2 – Feasibility And Development Application Grant	£93,066.74
Growth and Regeneration	Old City and King Street Grant	£516,242.03
Growth and Regeneration	Portway Park & Ride Extension	£575,325.29
Growth and Regeneration	Reboot West	£296,868.26
Growth and Regeneration	Scambuster and NTS Funding for Regional Intelligence Functions	£309,000.00
Growth and Regeneration	Regional Intelligence Functions Sub -Grant	£89,221.00
Growth and Regeneration	South Bristol Enterprise Support	£170,496.32
Growth and Regeneration	South Bristol Light Industrial Workspace Grant	£2,841,886.34
Growth and Regeneration	Transforming Cities Bristol Bridge Signals Junction and Car Park VMS project	£273,121
Growth and Regeneration	Western Harbour Feasibility	£142,830.00
Children & Education	Youth Justice Grant 2023/24	£726,557.00
Growth and Regeneration	Zero Emissions Transport City Grant.	£48,308.00
Total		£19,136,980.32

1. Audit Summary – Agency Staff

Background and Context

- 1.1 The Council has a complex organisational structure and certain services carry a statutory duty to be provided. A key resource is staff and there can be vacancies or increases in service demand which Agency workers sometimes cover. There is guidance on how managers recruit agency staff. Guidant Global is the Council's partner for all temporary staff. They are a managed service and recruitment process outsourcing specialist. Exceptionally, temporary staff can be recruited from other suppliers where Guidant Global is unable to source. The contract was renewed in May 2020 and ends in May 2024; retendering is about to commence.
- 1.2 Due to the current environment of high inflation and funding pressures, in July 2022, the Council introduced tighter recruitment controls for agency staff appointments.

Scope and Objectives

- 1.3 The objective of this audit was to review compliance with relevant procedures and guidance for the engagement of agency workers over the last twelve months. Also, the current level of agency staff across the Council reviewed to assess whether this was value for money (vfm).
- 1.4 The scope of the assignment included the following areas:
- Review the activity of Guidant over the past twelve months, with specific focus since the recruitment controls were put in place from July 2022
 - Assess appointments comply with the recruitment controls, procedures, and guidance
 - Check daily rates and agency fees were as expected
 - Compare daily rates for temporary staff and other agency fees (costs), with the Council grade rates for the job.

In line with best practice a risk-based approach was taken, involving documenting, and evaluating the effectiveness of internal controls and governance in managing the risk.

Audit Opinion

- 1.5 Overall, Internal Audit have provided "**Limited Assurance**" over the adequacy and effectiveness of the procedures for the engagement of agency staff. The procedures are written for hiring managers and provide broad guidance, with no requirement for central oversight by HR.

Key Messages and Findings:

- 1.6 Positively, Internal Audit found,
- Hiring managers using Guidant for 93% of agency staff appointments
 - Re-procurement by March 2024 will provide the opportunity to review arrangements for agency spend.
- 1.7 Internal Audit raised findings in respect of the following weaknesses:
- No requirement for central oversight of around £11m pa spend on agency staff. Internal Audit found an increase in overall agency staff costs of £1.4m between 2021-22 and 2022-23.
 - "Charge rates" being accepted by hiring managers and recorded on Purchase Orders (PO's) including agency fees above that expected from the contract
 - "Charge rates" being increased mid-appointment when the contract terms do not allow except for national pay settlements

- Agency staff approvals on the Resource Request system not analysed by HR particularly after July 2022 when the Council’s recruitment freeze impacted agency staff; a central record of all approvals is retained on Sharepoint

Management Response

- 1.8 The findings of the report have been accepted by management who have agreed management actions to address them. These include:
- Hiring manager guidance to be updated to set out HR’s oversight role
 - The specification for the contract re-procurement to ensure there are clear terms regarding charge rates
 - Hiring manager guidance to be updated to clarify what must be included in purchase orders
 - Consideration to be given as to whether the raising of purchase orders for agency workers should be undertaken by HR in all cases
 - HR to agree with Finance validation of service provider’s charge summary and conduct a reconciliation with ABW entries for agency workers
 - HR to resolve anomalies identified with charge rates with Guidant
 - Guidant to be required to check “Charge Rates” with HR prior to confirming with hiring managers
 - Guidant to be instructed not to action any requests for pay rate changes without written approval of an HR Business Partner or the Head of HR in each case
 - Hiring manager guidance to be updated to explain pay awards and where HR Business Partner/Head of HR approval is required.

Background and Context

1.1 According to the online Financial Dictionary debt management is “Any strategy that helps a debtor to repay or otherwise handle their debt better...”. To manage debt more effectively, in January 2022 the Cabinet approved a revised Corporate Debt Management Policy (Policy) with effect from 1st April 2022. The Policy aimed to promote and support proper and equitable debt management processes for all major sources of income owed to the Council and to ensure the Council minimises debt and maximises rates of collection. The Policy is published on the Council’s website and is in the public domain.

Scope and Objectives

1.2 The objective of this audit was to review and assess the adequacy of the Council’s debt management arrangements, compliance with the Policy and effectiveness of the Policy. The scope of the assignment included:

- Debt collection and recovery process, including write-offs and credit notes.
- Implementation of ethical elements of the Policy.

Audit Opinion

1.3 Internal Audit obtained “**Limited Assurance**” on the adequacy and effectiveness of the Council’s debt management arrangements and the Policy.

Key Messages and Findings:

1.4 Internal Audit found that positively:

- The Council has published a Policy which provides a unified approach towards income collection.
- Management informed Internal Audit that the Policy would be implemented in full in 2023/24
- The Income Collection and Accounts Receivable teams consist of experienced, knowledgeable staff.
- Staff reallocated to other duties during Covid had returned to income collection duties.

1.5 Internal Audit raised two high priority and six medium priority findings in respect of the following weaknesses:

- The Policy had not been followed in full in 2022/23 due to lack of resource (staff were reallocated to other duties during Covid, returning January 2023) and the need to reconfigure documentation, software, and processes; Internal Audit were informed that the Policy was being followed in full in 2023/24
- The timetable set out in the Policy for various stages of the debt collection process was inconsistent and had not been fully adhered to
- The “soft reminder” stages of debt collection set out in the Policy had not yet been actioned; the Policy was misleading in that it does not indicate that the “soft reminder” stages are discretionary.
- The Policy makes Services responsible for ensuring compliance with the relevant legislation concerning debt collection; however, responsibilities between the Income Collection team and the Service for collection of some debts was unclear.
- The implementation of the Policy had not led to more effective debt management in 2022/23, due to the extended period for which recovery action was suspended.
- The Council had accumulated around £14.75m of debt over two years old, there is a significant risk that most of this aged debt will not be recovered without a change in policy and significant additional resource.
- There was £1.1m (2,335 payments) of unallocated income that required manual matching to debts and hence to customer accounts; of this £209k (630 payments) was received more than one year ago.
- The volume of debt written off in 2022/23 was considerably lower than the debt identified for write off on ABW and was not reported to Audit Committee, as stated in the Policy.

Management Response

1.6 The findings of the report have been accepted by management who have agreed management actions to address them. These were as detailed below and include up to date position statements. Of the 20 agreed management actions, eleven are complete and a further nine are in progress, with one of those on hold.

1.7 The actions in progress are:

- To review resource levels in income collection to ensure they are sufficient for the workload.

This piece of work is in progress with temporary resource being brought on board as an interim measure. Resources will be further reviewed over the remainder of the current financial year.

- An independent review of debt collection process and procedures

A debt action plan has been drawn up for review by senior managers with actions spread over the short, medium and long term. As part of this plan policies and processes are being reviewed to ensure they are fit for purpose to provide an effective and efficient administration which maximises the collection of outstanding monies but supports those suffering financial vulnerability.

- The Policy will be reviewed during 2023/24

Draft of revised Policy is being reviewed.

- Review the write off policy within the Policy (as part of above bullet)

Draft of revised Policy is being reviewed.

1.8 A further four actions are in progress but have missed agreed implementation dates:

- Implementation of soft reminders for ASC (duplicated as noted against two findings)

Automated recovery action due to commence 4 September 2023, revised target date 30 September 2023.

- Work with colleagues to ensure debt recovery for Careline is effective.

This piece of work has commenced but due to leave over the summer period has slipped but will be picked up during September. New target date of 30 September 2023.

- Create a monthly dashboard for Revenues & Benefits Head of Service which will provide an overview of collection activity and a collection profile.

This piece of work is much larger than initially thought and colleagues in the Data & Insight team have not been able to meet the original or revised target dates. Discussions are ongoing and the importance of the delivery of this dataset has been communicated. No target date currently but is being actively worked on.

- One action is on hold - work with colleagues in ASC and ABW Systems to design and implement a service specific invoice template which suits their needs.

This task requires significant rework of existing templates and data manipulation to create a service specific invoice template. Colleagues in ASC have been tasked with providing further data and this action is on hold until that is supplied and the level of work required fully understood. There is no risk to invoicing as that continues using the existing invoice template.

Audit Committee

25th September 2023



Report of:	Chief Internal Auditor
Title:	Internal Audit 2023/24 Q3 Priorities
Ward:	N/A
Officer Presenting Report:	Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee review and approve the proposed Quarter (Q) 3 priorities for 2023/24. In doing so, the Committee should consider:

- whether the priorities address the Committee's assurance needs;
- whether the Plan captures key areas that would be expected in Q3; and
- whether there are any significant gaps in the Plan for Q3.

To support consideration of Q3 priorities, high level areas for potential review later in the year are also provided. Consistent with the agreed quarterly planning approach, areas for audit review in future quarters will be agreed before the start of each quarter. This will ensure audit resource is effectively targeted and coverage remains relevant and timely to the risk environment in which the council is operating.

Summary

This report provides the Committee with the proposed assurance priorities for Q3.

The significant issues in the report are:

- The Q3 proposals have been developed following consultation with senior management
- More audit time on providing embedded assurance in the top four corporate programmes
- One of the key priorities in Q3 is to support management in the implementation of agreed management actions
- Q4 priorities will be agreed in the November meeting.
- The proposed Q3 priorities are Appendix 1 of this report

Policy

1. Audit Committee Terms of Reference.

Consultation

2. Internal

- The Corporate Leadership Board
- Executive Member
- Executive Directorate Management Teams
- Monitoring Officer
- S.151 Officer
- Other Management

3. External

- Internal Audit Strategic Partner - KPMG

Context

4. The Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end, it should seek assurance that the key areas that contribute to this framework are operating properly.
5. The Council's Internal Audit service is a key component of the assurance framework and the Committee's Terms of Reference includes a requirement to provide independent assurance to the Council in relation to internal audit activity. The Committee need to consider if the planned Internal Audit work is appropriate and sufficient to provide the Committee with the assurance it requires. Public Sector Internal Audit Standards 2013 include guidance that the Committee should review and approve the Internal Audit work plan.
6. The Q3 planning process has been informed by a number of factors such as the council's risk registers, relevant national issues, professional outlook, and our wider audit knowledge, including the results of recent audit work and consultation with senior management.
7. The proposed Q3 priorities are at Appendix 1. Areas of key audit activities include embedded assurance in key programmes, continuous auditing and monitoring, implementation of agreed management actions, grant certifications and fraud prevention.
8. The proposed Q3 priorities reflect the council's needs for assurance at all levels of the business and the need to provide embedded assurance in key programmes and projects. Internal audit activities should also support the council's compliance and performance improvement agenda. Table 1 below provides a summary reflecting the split of audit time in Q3.

Table 1: Audit Plan Q3 – Audit Days Allocation:

Area of Work	Internal Audit Days	Counter-Fraud Days
Bristol City Council Work Programme		
Governance	72	
Risk Management	25	
Financial Control	130	
Procurement	30	
HR and Asset Management	30	
Information Governance and ICT	38	
Projects and Programmes	59	
Contingency	26	13
Strategic Council Fraud		15
Fraud Prevention Programme		92
Fraud Detection Programme		227
Responsive Fraud Investigations		91
External (BCC companies and WECA)	58	
Total Allocated Days	468	438
Total Available Days	468	438

9. Appendix 2 provides an extensive list of areas that may require assurance in future quarters subject to ongoing risk assessments and agreement with the Committee.
10. In undertaking this work, Internal Audit comply with the Public Sector Internal Audit Standards.

Proposal

11. The Committee review and approve the proposed audit priorities for Quarter 3 in 2023/24. In doing so, the Committee should ensure that the proposal reflects the areas for which they will require assurance from Internal.

Other Options Considered

12. None necessary.

Risk Assessment

13. An adequate and effective internal audit service, as well as a statutory requirement, is an integral part of good governance. A sound Internal Audit planning process minimises the risk of non-compliance with statute and good practice, and at the same time maximises the value that Internal Audit adds to the Council's governance arrangements and internal control environment.

Public Sector Equality Duties

- 8a) 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.
- 8b) No equalities assessment necessary for this report.

Legal and Resource Implications

Legal – Not applicable

Financial

(a) Revenue – Not applicable

(b) Capital – Not applicable

Land/Property - Not applicable

Human Resources - Not applicable

Appendices:

- **Appendix 1** – Internal Audit 2023/24 Q3 Priorities
- **Appendix 2** – Internal Audit 2023/24 Q4 Potential Areas of Review

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Planning Files, Corporate Strategy, Corporate and Directorate Risk Registers, Public Sector Internal Audit Standards.

Directorate	Area of Review	Reason for Inclusion in Q3 Plan
Governance		
Children and Education	Schools Audit Programme - 5 Schools	Material spend and relevant corporate risk - CRR54. Assurance over financial management and governance in schools
Corporate	Management Actions Follow Up	Assurance required over the implementation of agreed management actions.
Corporate	Audit Committee Development	Need to secure independent Members to the Committee.
Corporate	Strategic Partner Governance	Increasing use of Strategic Partner delivery model for key programmes and services.
Risk Management		
Resources	Risk Management Annual Review	Required by Internal Audit risk based planning process.
Growth and Regeneration	Business Continuity Planning	Key risk area and changes to core personnel in this area.
Internal Control		
Financial Control		
Corporate	Grant Certifications	Required by conditions of grant
Corporate	Data Analytics and Continuous Audit	Audit Strategy - maximising assurance by exploiting use of data and technology
Corporate	Savings Delivery 2023/24	Key risk and previous audit knowledge. Significant governance issues in AGS
Growth and Regeneration	Clean Air Zone	Income source not previously audited and significant funding available to distribute.
Adults and Communities	Adult Social Care Budget and Performance Management.	Corporate Risk CRR51
Resources	Imprest Account Management	Security of cash distributions - volume and value
Resources	Payment Card Industry Compliance	Legal requirement.
Resources	FM (Financial Management) Code Compliance	Requirement to comply and core assessment to inform Annual Governance Statement
Procurement		
Resources	Contract Management	Previous audit history and key to ensuring VFM is received from contracts.
Adults and Communities	Adult Social Care Commissioning	Area of significant spend and relevant corporate risks CRR51/39)
HR and Asset Management		
Growth and Regeneration	Asset Disposal and Management	Previous audit history and relevance to key programme
Corporate	Workforce Resilience	Relevant Corporate Risks
Information Governance		
Resources	Information Governance Board	Related corporate risks (CRR 7, 25,29)
Resources	IT Resilience and Business Continuity.	IT Audit Risk Assessment identifies as an area to prioritise for review. Relevant corporate risk CRR26
Resources	IT Third Party Vendor Management	IT Audit Risk Assessment identifies as an area to prioritise for review.
Corporate	Information Asset Ownership	Previous audit knowledge.
Projects and Programmes		
Growth and Regeneration	Embedded Assurance - Property Programme	Embedded assurance to be provided in each of the Council's top four priority programmes
Adults and Communities	Embedded Assurance - Adult Social Care Programme	Embedded assurance to be provided in each of the Council's top four priority programmes
Children and Education	Embedded Assurance - Children and Education Programme	Embedded assurance to be provided in each of the Council's top four priority programmes
Growth and Regeneration	Embedded Assurance - Temporary Accommodation Programme	Embedded assurance to be provided in each of the Council's top four priority programmes
Resources	Embedded Assurance - Digital Transformation Programme	Significant Transformation Programme
Growth and Regeneration	Embedded Assurance - Capital Transformation Programme	New arrangements for capital programme governance being developed.
Growth and Regeneration	Embedded Assurance - Housing IT Transformation Programme	Significant Transformation Programme.
Adults and Communities	Embedded Assurance - Transition from Children to Adults Project	Significant Transformation Programme.
Growth and Regeneration	Capital Projects Audit (Sample of Projects including ASEA Flood Programme Embedded Assurance)	Capital Programme is a significant area of spend.
Counter Fraud Programme		
Strategic Counter Fraud Arrangements		
Corporate	Whistleblowing Management and Development	Organisational Responsibility and ethical requirement
Fraud Prevention Programme		
Corporate	Fraud Hub Operation and Development	Maximising the use of technology in the fight against fraud.
Corporate	Fraud Risk Assessment	Increase emphasis on fraud prevention.
Corporate	Fraud Prevention Strategy	Increase emphasis on fraud prevention.
Growth and Regeneration	Filwood Levelling Up - Fraud Risk Assessment	Requirement of Memorandum of Understanding.
Corporate	Fraud Awareness Training	Fraud Prevention by raising awareness.
Children and Education	Schools Fraud Risk Management and Whistleblowing	Fraud prevention by enhancing counter fraud arrangements at schools.
Fraud Detection Programme		
Adults and Communities	Residential Care Testing	Key Fraud Risk Area.
Children and Education	Schools Admissions	Supporting Education Services.
Corporate	National Fraud Initiative	Mandatory Data Matching Exercise.
Growth and Regeneration	Proactive Tenancy Fraud Programme and Investigation of tenancy fraud cases	Key Fraud Risk Area. Supports Corporate Strategy priority re homelessness by freeing up housing for those with a genuine need.
Resources	Accounts Payable Forensics	Fraud testing in key financial area.
Resources	Procurement Testing - Red Flags	Key fraud risk area.
Children and Education	Guardianship work	Emerging Fraud Risk Area.
Responsive Fraud Investigations		
Corporate	Responsive Fraud Investigation	Organisational responsibility and ethical requirement.
Resources	CTR Case Work	Organisational responsibility and ethical requirement.
Resources	Benefits Case work and SPOC Role	Organisational responsibility. Service level agreement with DWP.
Children & Education	Pupil Tracking Requests	Organisational responsibility. Supporting Education Services.
Corporate	GAIN Requests	Organisational responsibility. Supporting wider community and police in tackling crime.
Corporate	Hotline Maintenance	Organisational responsibility and ethical requirement.

Directorate	Area of Review
Governance	
Adult & Communities	Home First Programme
Adult & Communities	Public Health Curriculum
Children and Education	Schools Audit Programme - A further 5 in Q4.
Corporate	Common Activities Programme
Corporate	Scheme of Delegation - Follow Up of 2022/23
Corporate	Modern Slavery
Corporate	Assurance Mapping
Corporate	Companies Governance
Resources	IT Governance
Risk Management	
Adult and Communities	Adult Social Care Workforce Management
Adult and Communities	Cost of Living Crisis
Adult and Communities	Direct Payments
Adult and Communities	Transition from Children in Care to Adults - Follow Up of 2022/23
Children and Education	DSG Improvement Plan
Corporate	Emergency planning
Growth and Regeneration	Responsive Repairs
Growth and Regeneration	Flood Risk Management - Follow Up of 2022/23
Growth and Regeneration	Stock Control - Housing Repairs
Growth and Regeneration	Fire safety
Growth and Regeneration	Planning and Development
Resources	Cloud Review
Resources	Decentralised IT
Internal Control	
Financial Control	
Adults and Communities	Concord Lodge - financial controls
Resources	Debt Management - Follow Up of 2022/23
Resources	Financial Schemes of Delegation
Resources	Local Taxation
Procurement	
Adult & Communities	Technology Enabled Care
Resources	IT Procurement
Resources	Compliance with Procurement Rules (Q4)
HR and Asset Management	
Corporate	Data Quality
Resources	Agency Staff - Follow Up of 2022/23
Resources	H&S - Follow Up of 2022/23
Information Governance	
Resources	Disclosures Team
Resources	Cloud Resilience - Follow Up of 2022/23
Resources	Information Security
Resources	ICO Accountability Tracker (Request)
Corporate	Core Systems Access Controls
Projects and Programmes	
G&R	Capital Programme Embedded Assurance
Counter Fraud Programme	
Strategic Counter Fraud Arrangements	
Corporate	Whistleblowing
Fraud Prevention Programme	
Corporate	Fraud Hub Operation and Development
Corporate	Fraud Awareness Training
Growth and Regeneration	Blue Badge Enforcement
Fraud Detection Programme	
Adults and Communities	Supported living
Children and Education	Schools Admissions
Resources	Fuel Cards and Fleet usage

Audit Committee

25th September 2023



Report of: Service Director: Finance

Title: Treasury Management Annual Report 2022/23

Ward: City Wide

Officer Presenting Report: Richard Young, Head of Strategic Finance

Contact Telephone Number:

Recommendation

The Audit Committee note the Annual Treasury Management Report for 2022/23, as detailed in Appendix A and A1.

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 2022–2027 Treasury Strategy identified a medium term net borrowing requirement of £608m 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 (£116m at March 2023), 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 2023 was £446m with an average annual interest rate of 4.48%. Investments were £116m at the 31 March 2023 with an average annual interest rate of 1.90%.

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 2022/23 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

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

There are no proposals in this report which have environmental impacts

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 2022/23

Appendix A1 Treasury Management Annual Report 2022/23 incorporating Prudential Indicators

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Treasury Management Strategy 2022/23

Treasury Management Annual Report 2022/23

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 2022/23

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.** Increasing inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, has resulted in UK interest rates being very volatile across all maturity periods, from Bank of England base rate through to 50-year gilt yields during 2022/23. This is reflected in the tables in Appendix A1, paragraph 26 and 27.

Core Price Inflation (CPI) peaked at 11.1% in October, although falls from this level will rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. Most commentators expect the CPI to drop back towards 4% by the end of 2023. As of March 2023, CPI was 10.1%. (July 2023 6.8%)

Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.

Gross Domestic Product (GDP) has been low throughout 2022/23. Quarter 2 of 2022 saw UK GDP growth of +0.1% q/q, but this was reversed in the third quarter, though Quarter 4 was +0.1% q/q. Most recently, January saw a 0.3% m/m increase in GDP as the number of strikes reduced compared to December. In addition, the resilience in activity at the end of 2022 was, in part, due to a 1.3% q/q rise in real household disposable incomes. A large part of that reflected the £5.7bn payments received by households from the government under the Energy Bills Support Scheme.

USA. The comments from Federal Reserve suggest there is still an underlying upward theme to their outlook for interest rates, with markets pricing in a further interest rate increases of 25-50bps, on top of the current interest rate range of 4.75% - 5% at March 2023.

EU. Although the Euro-zone inflation rate has fallen below 7%, the European Central bank will still be mindful that it has further work to do to reduce inflation expectations and it seems likely to raise rates further. Like the UK, growth has been low but a recession in 2023 is still seen as likely by most commentators.

Treasury position as at 31 March 2023:

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 2022		31 March 2023	
	£m	Average Rate %	£m	Average Rate %
Long Term Debt (fixed rates) - PWLB ¹	331	4.63	326	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	446	4.48
Investments	237	0.13	116	1.90
Net Borrowing Position	214		330	

¹Public Works Loan Board

²Lender option Borrower option (LOBO)

9. The total borrowing excludes accrued interest of £4.3m (£4.4m at 31/3/22) and the outstanding finance on PFI and service contracts of £118m at 31 March 2023 (£125m at 31/3/22).

10. In addition to the Treasury investments above (£116m), the authority also has
- long term service investments costing £15m primarily relating to the holdings in Bristol Port Company (£2.5m) and a property fund to support Homelessness and Temporary Accommodation (£12.5m), and

- long term service loans costing £26m, primarily relating to loans to wholly owned subsidiaries £21.5m and external organisations (£4.5m).
- These investments and loans support the delivery of council functions, provide service benefits and have a positive social impact.

11. The Net debt has increased by £116m from £214m to £330m primarily due to;

- Funding of the capital programme financed by Prudential borrowing +£53m as set out in Appendix 1 para 3.
- Minimum Revenue Provision (MRP) – (£8m)
- Net change in Reserves and provisions +£26m
- Other changes to working capital and balances +£45m

Long Term Borrowing – Strategy and outturn

12. The 2022–2027 Treasury Strategy (approved 2nd March 2022) identified a net medium term borrowing requirement of £608m to support the existing and future Capital Programme with the debt servicing costs predominately met from revenue savings from capital investment, the economic development fund and the HRA. The £608m was planned to be borrowed in the following periods, 22/23, £65m, 23/24 - £200m, 24/25 - £180m, 25/26 - £110m and 26/27 - £53m.

13. The Council’s Strategy is also to defer borrowing while it has significant levels of liquid treasury investments, £116m at March 2023 (£237m at March 2022). 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 2022/23 Treasury Management Strategy approved by Council 2nd March 2022).

<https://democracy.bristol.gov.uk/documents/s70648/E.%20Appendix%204%20-%20Treasury%20Management%20Strategy.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 £207m, 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 2022/23. 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 early repayment penalties that the authority would incur, circa £47m penalty to repay the £325m of PWLB loans early as at 31st March 2023 (the penalty at 31/03/22 was £213m).

Annual Investment Strategy and Outturn

15. Investment returns rose throughout the course of 2022/23 as central banks, including the Bank of England, acted upon inflationary pressures that required tighter monetary policy. Bank rate in April 2022 was 0.75%, and moved up in stepped increases of either 0.25% or 0.50%, reaching 4.25% by the end of the financial year, with the potential for a further increases in 2023/24. As at 1st September 2023 bank rate is 5.25%.

The change in investment rates resulted in an appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended.

Through the autumn, and then in March 2023, the Bank of England maintained various monetary policy easing measures as required to ensure specific markets, the banking system and the economy had appropriate levels of liquidity at times of stress.

The Council continues to take a cautious approach to investing, and recognise the changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that occurred after the financial crisis of 2008/9. 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.

16. Treasury Investments held by the Council - the Council maintained an average balance of £207m (£240m 2021/22) of internally managed funds. The internally managed funds received an average return of 1.90% (0.13% 2021/22). The comparable performance indicator is the Sterling Overnight Index average (SONIA) 7day, which was 2.20% so slightly below the benchmark. This gap was expected due to the lag in investment returns keeping pace with a quickly rising bank rate.

Compliance with Treasury Limits and Treasury Related Prudential Indicators

17. 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 A1.

Performance Indicators set for 2022/23

18. 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.

19. 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 (Sterling Overnight Index Average) SONIA rate
Average rate for the year 1.90% vs. annual average 7 day SONIA of 2.20% (Overnight SONIA 2.24%) – SONIA is an interest rate benchmark based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors that is governed by the Bank of England.

Annual Report on the Treasury Management Service 2022/23 (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 2022/23

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.

	2021/22 Actual £m	2022/23 Original Budget £m	2022/23 Final Budget £m	2022/23 Actual £m
Non-HRA capital expenditure	119 ^{*1}	187	157	135 ^{*1}
HRA capital expenditure	39	123	70	62
Total capital expenditure	158	310	227	197
Resourced by:				
Capital receipts	17	83		25
Capital grants	65	85		79
HRA Self Financing	29	30		33
Prudential borrowing	43	78		53
Revenue	3	34		5
Service Concession Contract – Waste Vehicles ^{*1}	1	-		2
Total Resources	158	310		197

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

The Council's Overall Borrowing Need

4. 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 2022/23 and prior years' net capital expenditure that has not yet been paid for by revenue or other resources.
5. 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.
6. 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.

7. 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 2022/23 MRP Policy (as required by CLG Guidance) was approved on the 2nd March 2022.
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 2022 Actual £m	General Fund 31 March 2023 Actual £m	HRA 31 March 2022 Actual £m	HRA 31 March 2023 Actual £m	Total CFR 31 March 2023 Actual £m
Opening balance	641	669	245	245	914
Add unfinanced capital expenditure (as above)	43	53	-	-	55
Less MRP/VRP	(5)	(10)	-	-	(10)
Less application of Capital Resources	(2)	(12)			(12)
PFI, Service Concession and finance lease adjustments	(8)	(5)	-	-	(7)
Closing balance	669	695	245	245	940

Treasury Position at 31 March 2023

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 2022		31 March 2023	
	Principal £m	Average Rate % ²	Principal £m	Average Rate % ²
Fixed Interest Rate Debt	331	4.63	326	4.63
Variable Interest Rate Debt	-	-	-	-
Market Debt – LOBO ¹	70	4.09	70	4.09
Market Debt - Fixed	50	4.04	50	4.04
PFI / Service Contracts	125	-	118	-
Total Debt	576	4.48	564	4.48
Debt administered of behalf of Unitary Authorities (Ex Avon Debt)	(38)	-	(36)	-
Revised Debt	538	4.48	526	4.48
Capital Financing Requirement	914		940	
Over/(Under) borrowing	(376)		(412)	
Investment position				
Investments (Fixed & Call)	237	0.13	116	1.90
Net borrowing position (excl leasing arrangements)	214	-	330	-

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 2022		31 March 2023	
	£m		£m	
	Principal £m	Average Rate%	Principal £m	Average Rate%
General Fund	211	4.26	201	4.23
HRA	240	4.68	245	4.68
Total	451	4.48	446	4.46

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

	Approved Min Limit%	Approved Max Limit%	31 March 2022		31 March 2023	
			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	32	7	44	10
5 to 10 years	0	40	22	5	5	5
10 years and over	25	100	392	87	392	83
Total			451	100	446	100

14. The Council hold £70m of LOBOS with maturities averaging 37 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 2023. 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. Interest rate forecasts were initially expecting only gradual rises in the short, medium and longer-term fixed borrowing rates during 2022/23, but by August 2022 inflation was moving to a 40 year high. The Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022 and into 2023, by increasing Bank Rate by 0.25% or 0.5% each time. The Consumer price Index (CPI) measure of inflation went above 10% in the UK but is expected to fall towards 4% by the end of the year. The latest interest rate forecasts for the next 3 years are shown in the table in paragraph 24 below.

Prudential Indicators and Compliance Issues

18. Some of the prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:

19. **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 2022 Actual £m	31 March 2023 Actual £m
Gross borrowing position	451	446
CFR (excluding PFI)	789	822

20. **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 2022/23 the Council has maintained gross borrowing within its Authorised Limit.

21. **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.

22. **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.

	2022/23 £m
Authorised Limit	910
Operational Boundary	650
Average gross borrowing position (including PFI)	570
Financing costs as a proportion of net revenue stream:	
General Fund	6.49%
HRA	6.44%

Borrowing Rates in 2022/23

23. Gilt yields have been on a continual rise since the start of 2021, peaking in the autumn of 2022. At the close of the day on 31 March 2023, all gilt yields from 1 to 50 years were between 3.64% and 4.18%, with the 1 year being the highest and 6-7.5 years being the lowest yield.

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

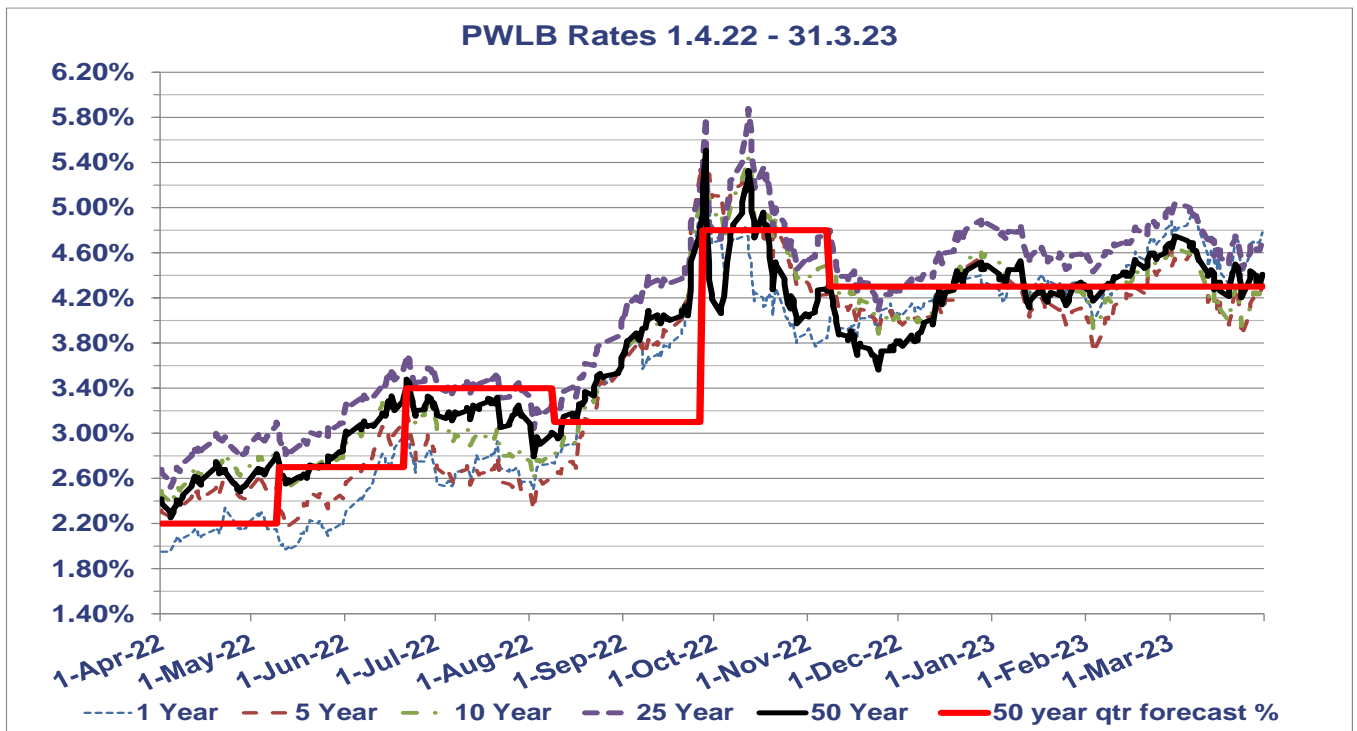
The forecast for bank rate, gilt yields and PWLB rates are to fall over the next one to two years as Bank Rate rises to dampen inflationary pressures and a tight labour market take effect, and is then cut as the economy slows, unemployment rises, and inflation moves closer to the Bank of England's 2% target.

The latest Interest rate forecast provided by the Council's advisors is set out below.

Forecast Interest rates as at 26th June 2023

Period	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 Year	25 year	50 year
Mar 2024	5.50	5.10	4.90	5.10	4.90
Mar 2025	3.75	3.90	3.90	4.20	4.00
Mar 2026	2.50	3.30	3.50	3.80	3.50

The impact on PWLB rates during the financial year ending the 31st March 2023 is highlighted in the graph below.



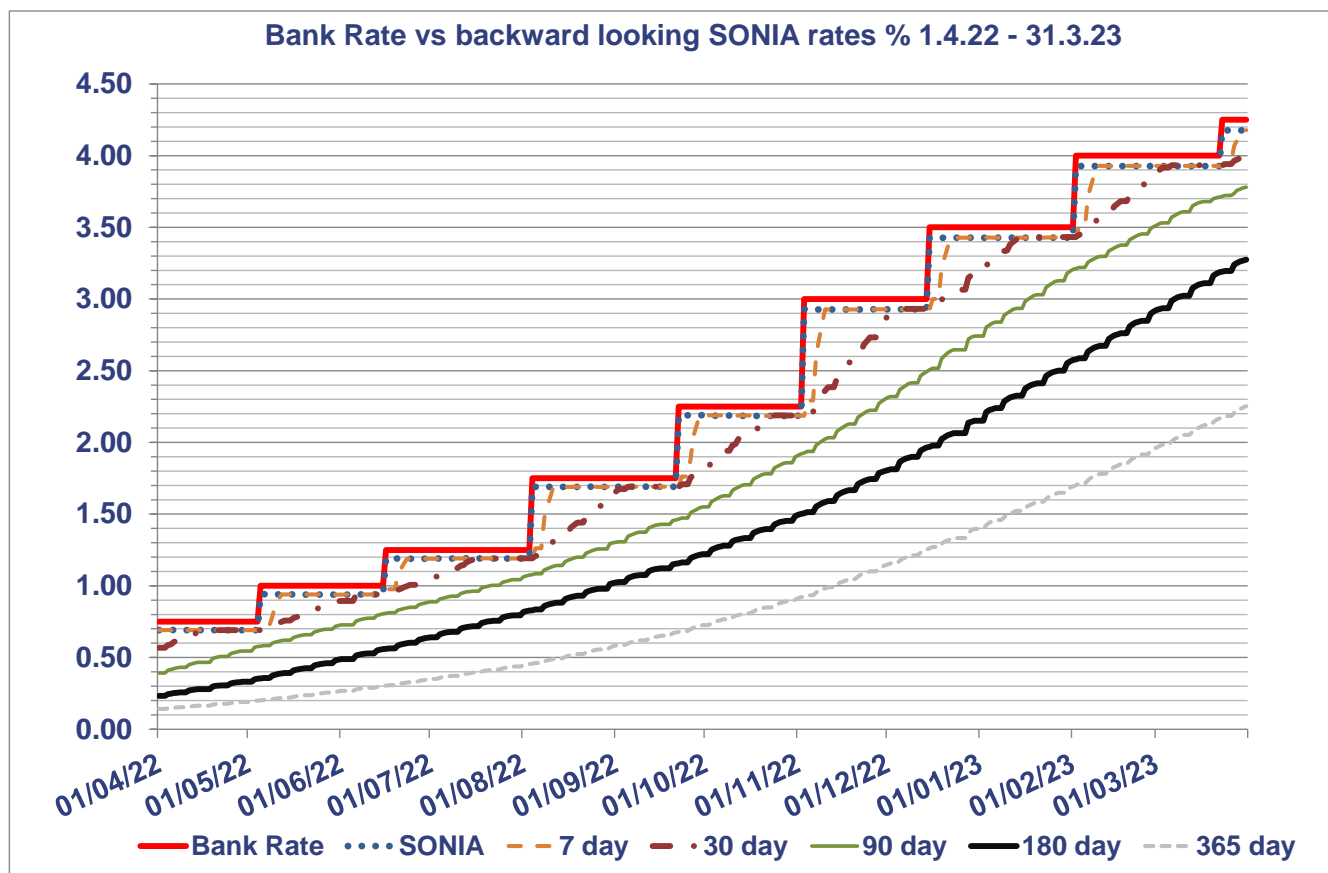
24. **Summary of Debt Transactions** – The authority repaid a £5m PWLB Loan during 2022/23 with an interest rate of 7.125% To avoid increased counterparty risk, along with lower investment returns compared to borrowing costs no borrowing was undertaken during the year, meaning internal borrowing was used to finance the capital programme effectively utilising the Council’s cash balances.)

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

Investment Rates in 2022/23

26. Investment returns increased significantly during 2022/23. The expectation for interest rates within the treasury management strategy for 2022/23 was that Bank Rate would increase gradually throughout the year and beyond. Due to higher inflation, rates climbed faster than expected and increased from 0.75% - 4.25%

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



FINANCIAL YEAR TO QUARTER ENDED 31/03/2023							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	4.25	4.18	4.18	4.00	3.78	3.27	2.25
High Date	23/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023
Low	0.75	0.69	0.69	0.57	0.39	0.23	0.14
Low Date	01/04/2022	28/04/2022	29/04/2022	01/04/2022	01/04/2022	01/04/2022	01/04/2022
Average	2.30	2.24	2.20	2.09	1.81	1.42	0.90
Spread	3.50	3.49	3.49	3.43	3.39	3.04	2.11

27. 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 2nd March 2022. 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

28. **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

29. 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.

30. 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.

31. 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

25 September 2023



Report of: Director of Finance
Title: Risk Management Annual Report 2022/23
Ward: Citywide
Officer Presenting Report: Joachim Adenusi

Recommendation

The Audit Committee note the report, and actions taken in 2022/23 and those proposed for 2023/24 to improve the effectiveness of risk management across the organisation.

Summary

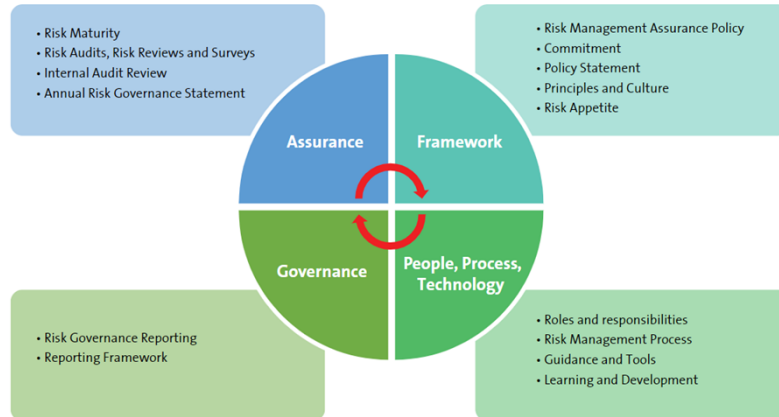
This report presents a summary of risk management activities during 2022/23. It covers the background to the Council's approach to risk management and progress being made against improving the risk management maturity of the organisation.

The significant issues in the report are:

Embedding and improving Risk Management practices across an organisation takes time to implement. The 2022/23 annual internal audit of risk management gave reasonable assurance being an improvement from 2021/22 limited assurance of risk management practice across the Council. This report provides detail on actions taken and plans delivered in 2022/23 that helped to improve the effectiveness of risk management across the Council. The Council's Risk Management Assurance Policy is refreshed periodically including recently in 2021 and will be again in 2023.

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 of 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** - Executive & Service Directors, and Deputy Mayor – Finance, Governance & Performance

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 2022-23 and supports the Audit Committee in discharging its responsibilities.

Risk Management During 2022-23

- 3.6. During the financial year 2022-23 the Council managed 27 threat risks within the corporate risk register of which 5 deteriorated, 7 improved, while 12 remained the same during the year and all risks remained above the current set tolerance levels. During the year 6 new threat risks were added to the corporate risk register and 3 were de-escalated to Directorate Risk Registers.
- 3.7. There were also 2 opportunities reported of which 1 of was completed. In addition 3 external and civil contingency threat risks were added to the corporate risk register.
- 3.8. Activities during 2022/23 continued to develop the Council’s approach to risk management moving the Council towards managing risk in a planned informed way.
- 3.9. Reviews of risk management information are undertaken by the Risk and Insurance Team, the team lead operational risk management approaches for the Council, throughout the year the team has supported risk assurance through a range of planned activities.
- 3.10. The following activities were undertaken:
 - Quarterly reporting on key strategic risks
 - Continued to manage, maintain and communicate Risk Management on the Source and SharePoint.
 - Provided risk management guidance and support to staff and Members.
 - Pentana risk system was further embedded by running bespoke awareness sessions for colleagues.
 - Conducted risk refresh Maturity Workshops with DMTs and at senior level with EDM’s.
 - Implementing 2021/22 audit recommendations

Risk Management Audit 2022/23

- 3.11. 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 ‘Reasonable Assurance’ which is an improvement from the 2020/21 ‘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. The report outlines some recommended actions which have been taken forward in 2023/24 (see the table below).
- 3.12. Whilst Audit noted that good progress and sound risk management is being made and implemented, internal control and governance processes can still improve further. The team will therefore build on the strong foundations already laid. This allows for ever more effective management of risk. In some areas it is still felt that there are some weaknesses which may put service objectives at risk but which mitigation can be planned for.
- 3.13. An action plan which considers the progress being made on the residual findings of the 2022/23 audit and seeks to improve the risk maturity of the organisation is detailed below for the committee’s consideration. The plan to address 2022/23 findings was agreed for 2023/24 and is set out below

Table 1 below - includes both the internal audit management actions and risk management activities for the year 2023/24

Area	Action	Deadline
Refresh of BCC Risk Strategy and Framework	To review and refresh the current risk strategy and framework that was last reviewed in 2021	Q4 23/24
Annual risk re-baseline thresholds and assessment	Review of all current corporate risks, validating the mitigation actions and setting new tolerances where necessary	Q1 23/24 (Completed)
Timeliness of risk update and escalation.	Carry out updated risk handling awareness sessions across all DMTs.	Q1 23/24 (Completed)
*Timeliness of risk update and escalation.	Incorporate risk handling within Induction and new staff (onboarding) process and ensure mandatory training is completed prior to system access.	Q1 23/24 (Change to Q3)
Timeliness of risk update and escalation.	Within the monthly HOS dashboards and subsequent EDM reports, capture action slippage and stagnant risks scores (above tolerance level) for action and or greater consideration. (In progress)	Q1 23/24 (Change to Q3)
	Timely reports to be obtained from HR to update the system for leavers and reassign upwards until risks delegation / reassignment occurs. (80% completed)	Q1 23/24 (Change to Q3)
Monitoring of extension to action due dates	Raise awareness with stakeholders via the Q1 workshops and training on the need to justify the basis of moving risk actions dates with appropriate note in the system and equally approved by the line manager. (Completed)	Q1 23/23 (Completed)
	Explore a system reconfiguration which will ensure an explanation is provided where date changes are proposed and workflow arrangements for approvals. (50% - in progress)	Q2 23/24 (Change to Q3)
Maintenance of risks and actions in Pentana*	Hire additional resources to be committed to support the Risk function and system. (Completed)	Q1 23/23 (Completed)
	Ensure effective system configuration for greater automation and validation prior to accepting input, where data has been omitted. (30% - in progress)	Q2 23/24 (Change to Q3)

Clarity over operational risk management	Carry our updated risk handling awareness sessions across all DMTs. Proving clarity regarding what is expected and ensuring that risk treatment actions are SMART and effective with line managers' approval	On going
*Risk interconnectivity	Explore the system abilities for risk connectivity and seek to expand functionalities. Providing alignment and clarity regarding risk interconnectivity within the Council.	Q2 23/24 (Change to Q4)
	Strengthen the Council's risk collaborations on common risks across companies where the Council is the majority shareholder.	Q2 23/24 (Change to Q4)
	Carry our updated risk handling awareness sessions and communications across all DMTs.	Q2 23/24 (Change to Q3)
*Integrating Risk Management KPIs	Collaborate with various stakeholders Integrating Risk Management Reporting into Organisational Scorecard	Q4 23/24
Annual Risk Management Report	2023/24 Annual Report to Audit Committee	Q1 24/25
*Risk Communication – Further Learning and Development	Roll out of e-learning across organisation	Q3/4 23/24
*Monthly service risk update and review	Service workshops with managers to review key risks areas	Ongoing

*Review is on underway but will require extra resources to implement this action

Risk Management Annual Plan 2023/24

- 1.1. 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.
- 1.2. A key target area includes providing training for managers with responsibilities for managing risk alongside clear guidance and processes on better use of the Risk management system.
- 1.3. Work will be undertaken to keep ensuring that service planning and risk management are closer aligned to ensure actions are taken to reduce risk where risks exceed current risk tolerance.

2. Proposal

- The Audit Committee are requested to receive and note the Risk Management update.
- The Audit Committee review and comment upon the Corporate Risk Report (CRR) as a

source of assurance that risk management arrangements are in place.

3. Other Options Considered

n/a

4. Risk Assessment

4.1. The Risk Management Assurance Policy and the CRR will further develop risk management assessment within the City Council and help the management of risk arrangements embed.

5. Summary of Equalities Impact of the Proposed Decision

5.1. No Equality Impact anticipated from this report.

6. 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

25 September 2023



Report of:	Corporate Risk Register – Deep Dive
Title:	Deep Dive: CRR13 Possible Financial Framework and Medium-Term Financial Plan (MTFP) Failure
Ward:	N/a
Presenting Report	Head of Financial Management / Deputy S151 Officer

Recommendation

To note the contents of the report

Summary

The purpose of this report is to provide the Audit Committee with a ‘deep dive’ into the corporate risk CRR13: Possible Financial Framework and Medium-Term Financial Plan (MTFP) Failure

Report for Audit Committee – CRR13 Possible Financial Framework and Medium-Term Financial Plan (MTFP) Failure

Purpose

- 1.1. The purpose of this paper is to provide the Audit Committee with an overview of the corporate risk CRR13 and provide an opportunity for a more in-depth review.

2. Definition

- 2.1. CRR13 is the risk to the council of Failure to be able to reasonably estimate and agree the financial 'envelope' available, both annually and in the medium-term and the council is unable to set a balanced budget.

3. Background

Legal and Professional Framework

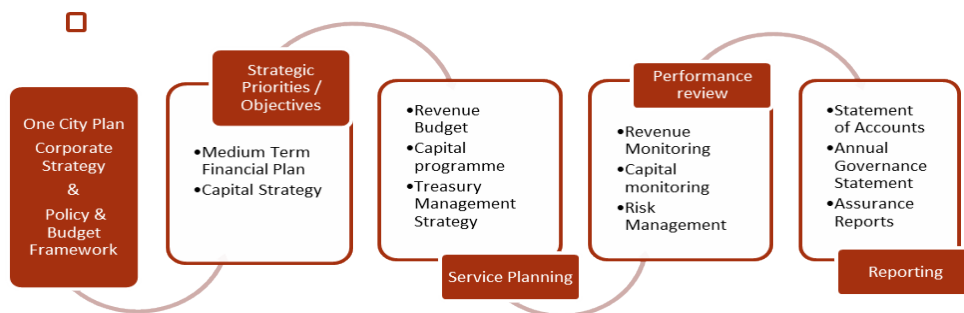
- 3.1. Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision:

- Local Government Finance Act 1992 - to levy and collect council tax and make further provision with respect to local government finance.
- Local Government Act 2000 - states that it is the responsibility of the full council, on the recommendation of the executive (or the elected mayor) to approve the budget and related council tax demand.
- The Local Government Act 2003 set out a framework for the financing of capital investments in local authorities.
- Prudential Framework - to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable.
 1. Prudential Code for Capital Finance in Local Authorities
 2. Treasury Management in the Public Sector Code of Practice
- CIPFA Statements of Professional Practice (SOPP) (including ethics).
- CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
- CIPFA Financial Management Code.

- 3.2. Notwithstanding the legislative requirement and council's legal responsibility to set an annual balanced budget (Local Government Finance Act 1992), financial plans are important because they act as a financial expression of the council's policies, presenting how its financial resources are to be allocated and utilised, showing the council's financial plan for the coming year with regard to statutory services as well as local key priorities and objectives.

Financial Framework

Figure 1



3.3. Whilst the statutory local authority budget setting process is on an annual basis a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability. It is the responsibility of the leadership of the organisation, including elected members, senior management and the section 151 officer, to have a long-term financial view acknowledging financial pressures.

Medium Term Financial Planning

3.4. Medium term financial planning aims to pull together all known factors affecting the financial position and financial sustainability of the Council over the medium to long term, balance the financial implications of objectives and policies against constraints in resources and provides the basis for decision making.

Key Components:

- Capital Strategy (required by the prudential code) - sets out the long-term context in which capital expenditure and investment decisions are made.
- Medium Term Financial Plan - covering estimated revenue income and expenditure over at least three forward years.

3.5. The tightening fiscal landscape has placed the finances of local authorities under intense pressure and created a greater challenge to balancing budgets.

Key considerations across all Funds:

- Council Priorities
- Economic and financial outlook
- Local financial outlook
 - Underlying demand for services and risks
 - Potentially unachievable, savings and efficiency targets within plans.
 - Impact of the wider service delivery environment
 - The prospect of challenging grant settlements and changes in government funding

- All sources of funding, the long-term trends in their growth or decline and the key risks associated with resource levels.
- Existing sources of revenue but also the potential to generate additional revenue from existing and new sources.
- Financia health and resilience to shocks
- The Budget Gap, sensitivity scenarios and strategy for addressing the gap.

3.6. The position is unprecedented with global and national factors largely beyond the council's control, including inflation, interest rates and significant energy costs, pay related cost increases, and broader demand pressures and costs in both adults' and children's social care.

4. Risk and Context for the Rating

4.1. The council continues to manage a challenging financial environment. The risk has remained at a critical rating of 28 from September 2022, through to the time of this report at September 2023, with the high rating reflecting the following:

- Despite a balance budget being approved the General Fund, the budget had not balanced the full 5-year period of the MTFP, with the latter 2 years remaining pressured with a gap still to be managed.
- Uncertain cost levels due to the longer-term impact of the pandemic, the cost-of-living crisis, ongoing global supply challenges and labour shortages and continuing increases in demand for core services.
- The changes to income following Government settlement and delayed reform of local government funding and social care reforms.
- DSG deficit and the uncertainty and potential implications of the removal of the statutory override.
- Emerging risk in the in-year forecast to be fully quantified and mitigations to be identified.
- Exceptional inflation, the National and Real Living Wage, energy costs and interest rate uncertainty and more generally the cost-of-living crisis that continues to impact on demand for council services and income collection rates.
- Lack of multi-year settlements and clarity on financial reform to facilitate effective planning.

5. Controls & Mitigation Actions to Manage Risk

5.1. The Financial Strategy is reviewed and updated regularly, with key reporting points being at the July financial outlook early indicator) October MTFP / CS publication, Public budget consultation and February Budget Setting. In-year financial performance is routinely reported to the leadership and additionally for mitigating actions formulated to address adverse variances.

5.2. The following controls and actions remain in place across both finance and the council to ensure the appropriate skills, governance and processes are embedded to enable delivery of the financial strategy updates.

Controls

- Use of benchmarking tools to provide data for regular insight and assessment.
- Strategic Finance partner in place, with active knowledge share / transfer.
- Robust and inclusive financial planning process with clear timelines for critical updates.
- Aligned organisation priorities – transformation programmes, data insight and evidence for MTFP/CS.
- Internal / external engagement, round tables, conference, regional / national networks and forums, webinars, to ensure teams are abridged of current national and local issues.
- Government representation, including local government consultations / surveys, regular and routine engagement with LGS and DLUHC on key issues.
- Member engagement and scrutiny - end to end.
- Specific subject matter working groups.
- Collaboration and partnerships.
- Integrated business and financial planning for subsidiary companies / JVs
- Training and corporate ownership of risk management / risk awareness.
- Periodic financial resilience assessment including balance sheet reviews of key items eg provisions, contingencies, accruals, reserves and balances.
- Benchmarking of costs and MTFP assumptions.
- Financial modelling (internal and external) of a range of scenarios.

Actions

- Ensuring that finance is appropriately resourced, including review of structure and resource need, recruitment, skills development and training.
- Improvements continue to be implemented to enhance the robustness of the council's approach to monitoring and delivery of revenue savings and delivering on time and to budget capital projects / programmes.
- Delivering better value programmes - SEND / CSC.

5.3. Throughout the MTFP / CS development and budget process regular updates are provided through governance routes including, EDMs, CLB, CMB and Scrutiny.

6. Conclusion

6.1. There remains significant uncertainty around the national and global economic and financial position. For most upper tier local authorities this presents a significant risk on the ability to robustly estimate the financial envelope available and to set a medium-term balanced budget. Equally, the potential impact on services resulting from the cost-of-living drivers and local market conditions, remains critical and it is essential that the work continues across the whole council collectively to consider and mitigate these considerable pressures through the development and approval of the MTFP / CS.

6.2. For the council the processes and controls in place to enable the MTFP / CS and annual budget to be developed and approved are well established. On the basis the refreshed risk mitigation actions and engagement to date (as at the time of this report), the risk is now assessed as HIGH, rather than CRITICAL and the corporate risk register has been updated to reflect this report and the assessment of the position.



Audit Committee

September 2023

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 2022/2023 in respect of the Council.

The significant issues in the report are:

The Ombudsman made no public interest Reports.

There were 29 Upheld cases out of 118 investigations compared with 22 Upheld cases out of 131 investigations in 2021-2022.

On the Ombudsman’s website it states 31 upheld cases, however there are only 30 listed in detail and two of these are duplicates.

10 Education cases

7 Planning and Development

4 Housing

3 Adult Social Care

2 Corporate

1 Benefits

1 Highways and Transport

1 Environment and Public Protection



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 the Ombudsman has made findings of maladministration or fault, 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:

[Bristol City Council – Local Government and Social Care Ombudsman](#)

3. The Ombudsman has sent the Council all findings made in the year ending the 31 March 2023.
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 29 cases in the year to March 31st, 2023, compared to 22 the previous year.
6. To put this figure into context, the Ombudsman investigated 118 cases out of 6,928 complaints handled by the council, compared with 6,327 in 2021-2022. This gives an **escalation rate of 1.70% of overall cases and 0.40% in relation to upheld cases.**
7. The link above taken from the LGO website shows that the Council's upheld rate of 69% is **lower than the UK authority average** of 72%.
8. The council has provided satisfactory remedies in 23% of cases which is **higher than the national average of 13%.**
9. 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.**
10. Appendix 2 and 3 sets out comparator information with other Authorities including by Service (Subject Matter) and decision outcome, respectively.
11. The Annual letter from the LGO to the Council is at Appendix 4
12. Officers have reviewed the report and findings produced by the Ombudsman. In reference to the comments made about cases where overdue payments were made, changes are being made to the compensation process. This will hand control to the central Customer Relations Team which will speed the process up.

In addition, as the issue of overdue payments concern one service (SEN within Education), the Service had this to say....'We fully acknowledge that any delay in completing our duties, within statutory timescale, has a significant impact on the children, young people and their families concerned. As a Local Authority we remain committed to working with our partners across education, health and social care to support all Bristol children and young people, with special

educational needs and disabilities, and their families. We continue our improvement journey and now working alongside a commissioned delivery partner we will implement additional measures to reduce the pressure within the system. This work is underway.

13. Officers propose that no specific actions are to be taken from this letter, but work will continue to improve our Complaints procedures.
14. Wider training for staff within the Council is being delivered to improve the initial Stage One response, which has been well received by staff. In 2022/2023 over 150 officers received this training which is on-going.
15. The team have also retained their **ISO 10002:2018, Complaints Handling in organizations certification, for the eighth year running.**
16. 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 Service subject matter

Appendix 3 – Comparator data re decision outcome

Appendix 4 – Annual letter from the LGO

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Summary of 29 Upheld cases April 1st, 2022 – March 31st, 2023

[Bristol City Council \(21 004 220\)](#) click for details of case.

Direct payments - 04-Apr-2022

Ombudsman summary: We found fault with the Council for the way it communicated with B about his personal contribution debt. There was also some fault with the way the Council communicated with B during its complaint process. This caused B distress. The Council agreed actions to remedy the injustice it caused B.

Bristol Complaints Manager summary: Service user complained about management of Direct Payments and communication during Care Act assessment. Fault found with how BCC communicated about personal contribution debt and with communication during complaint process. Paid £500 for distress, time, and trouble.

Service improvement recommendation: Met with SU to answer questions about complaint and desired outcomes.

-
- [Bristol City Council \(21 005 378\)](#) click for details of case.

Other 11-Apr-2022

Ombudsman summary: Mr F complains that the Council failed to include advice about residents parking within planning decisions on a property he is developing. We found there was fault by the Council, but this did not cause injustice to Mr F

Bristol Complaints Manager summary: Complainant unhappy that an informative note relating to a car-free development was not placed on planning permission initially. It was subsequently added, which impacted the value of the property they were developing.

The Ombudsman concluded there was fault as the informative was not attached (this is not a legal requirement), although no injustice as it was the complainant's responsibility to make checks prior to purchase of the property.

Service improvement recommendation: None

-
- [Bristol City Council \(21 007 917\)](#) – click for details of case.

Enforcement 20-Apr-2022

Ombudsman summary: Mr B complained that a supermarket near his house was taking deliveries outside of the hours specified by a planning condition. There was fault by the Council. It has not communicated a clear decision-making process or plan to Mr B so that he knows what action he might expect the Council to take to resolve this. Also, it took too long to serve a breach of condition notice and to decide whether to take further action. This caused Mr B injustice and the Council has agreed to take action to remedy this.

Bristol Complaints Manager summary: Regarding supermarket delivery times breaching planning conditions and that three large developments were taking place in a small area at the same time, and the impact on residents due to noise.

BCC took too long to serve a breach of condition notice and decide whether to take further action. BCC also failed to provide a timeline nor provide a plan how they will resolve the situation.

Service improvement recommendation: BCC apologised for this and formulated a plan as to how it will resolve outstanding enforcement matters, with expected timescales where possible so that there is no avoidable delay and communicated this to the complainant.

-
- [Bristol City Council \(21 013 440\)](#) – click for details of case.
-

Upheld Other 20-Apr-2022

Ombudsman summary: Miss X complains the Council failed to make a formal record of, or disclose, its reasons for refusing some applications for Community Infrastructure Levy and Section 106 funds. We have found fault with the Council's actions. The Council has agreed to apologise to Miss X and amend its procedures to remedy the injustice caused.

Bristol Complaints Manager summary: Not formally recording or disclosing the reasons for refusing some applications for the community infrastructure levy and section 106 funds at stage one Area Committee meetings.

BCC failed to document these decisions as it believed it did not need to. Ombudsman said they should be recorded, and this caused an injustice to the complainant.

BCC wrote to apologise to the complainant and changed the procedure followed by Area Committee, to ensure the reasons for rejecting outline proposals at stage one meetings are recorded and published on the website.

Service improvement recommendation: The Council was at fault for not properly documenting or disclosing its decision-making when rejecting some applications for community funding. The Council has agreed to change its procedures, so its decision-making is clearly recorded and available to the public.

- [Bristol City Council \(21 010 445\)](#) – click for details of case.
-

Traffic management 28-Apr-2022

Ombudsman summary: Mr X complained about how the Council dealt with parking issues near his home. We found that, while the Council properly processed changes to local parking restrictions, it failed to communicate clearly with Mr X. The Council's apologies to Mr X had already addressed the frustration caused by its poor communication.

Bristol Complaints Manager summary: Requests to amend an RPS/TRO and increase parking spaces in the area and communication regarding this.

Following their requests BCC failed to communicate with the complainant, however there was no fault with how the TRO was processed for the RPS.

Service improvement recommendation: The apology already provided by BCC was a suitable remedy for the communication errors.

- [Bristol City Council \(21 011 798\)](#) – click for details of case.
-

Noise 09-May-2022

Ombudsman summary: Ms X complains about the way the Council dealt with her complaints of noise nuisance from a neighbouring property causing distress. We found fault in the way the Council responded to Ms X's complaints as it failed to send her case closed letters. But this did not cause Ms X a significant injustice. There is no evidence of fault by the Council in its noise nuisance investigation and in deciding there was no ongoing statutory nuisance. So, we are completing our investigation.

Bristol Complaints Manager summary: Handling of noise nuisance from a neighbour.

BCC failed to issue a 'case closure letter', although there was no fault in how the investigation took place regarding the noise.

BCC to remind officers to follow its noise policy and issue case closed letters.

Service improvement recommendation: The Council should remind officers of the need to follow its noise policy and issue case closed letters when appropriate.

[Bristol City Council \(21 000 088\)](#) – click for details of case.

Safeguarding 10-May-2022

Ombudsman summary: Ms C, who was a Shared Lives Carer, complained about the way in which the Council responded to allegations made against her. The Council failed to effectively communicate with Ms C and there was a delay in completing the safeguarding enquiry. The Council has agreed to apologise and pay a financial remedy for the distress this caused Ms C

Bristol Complaints Manager summary: Shared Lives Carer complained about how BCC responded to allegations made against her. BCC failed to effectively communicate with complainant and delayed in completing safeguarding enquiry. Apology and paid £750 for distress caused. Findings discussed with relevant managers.

Service improvement recommendations: The Council has agreed to share the lessons learned with its adult safeguarding team.

-
- [Bristol City Council \(22 001 575\)](#) – click for details of case.
-

Homelessness 24-May-2022

Ombudsman summary: We will not investigate Mr X's complaint about the way the Council dealt with his homelessness and associated issues as any fault does not lead to an injustice greater than that remedied by their apologies and offer of a £500 payment for time and trouble.

Bristol Complaints Manager summary: BCC did not consider the complainant's physical disability when dealing with his homelessness and

finding him interim emergency accommodation, lack of communication and discrimination.

Whilst this happened during the Covid Pandemic and resources were extremely stretched, errors were made due to this. A room was double-booked by a hotel after check-in and the complainant was moved rooms to a non-adapted room, there was noticeably short notice given to change accommodation several times and communication was poor.

No discrimination was identified.

The Ombudsman did not investigate the complaint as they felt the £500 offered in the complaint response was in line with what they would offer for the identified failings.

Service improvement recommendations: None

- [Bristol City Council \(21 009 584\)](#) – click for details of case.
-

Homelessness 26-Jun-2022

Ombudsman summary: Mr X complained that despite assuring him his possessions would be kept safe the Council failed to protect his property when he had to leave his emergency accommodation to travel to a funeral abroad. The Council's lack of clarity regarding the storage of Mr X's personal belongings and how he could prevent them being disposed of amounts to fault. This fault has caused Mr X an injustice.

Bristol Complaints Manager summary: The Council disposed of the belongings of a tenant in temporary accommodation, while he was abroad attending a funeral. He had been given the impression by a Council Officer that the items would be stored for him until his return.

The Council's lack of clarity regarding the storage of Mr X's personal belongings and how he could prevent them being disposed of amounts to fault. This fault has caused Mr X an injustice.

Council apologised and paid £200 as required by the LGO in recognition of the frustration and difficulties caused by the lack of clarity. However, while the council's interpretation of the information given to the complainant by the Council Officer was different from the Ombudsman's, a goodwill payment of £200 was already offered at stage 1 and again at stage 2.

Service improvement recommendations: The Ombudsman did not recommend anything other than what the Council had already offered.

- [Bristol City Council \(21 017 107\)](#) – click for details of case.

Planning applications 30-Jun-2022

Ombudsman summary: Miss X complains the Council incorrectly advised her to submit a non-material amendment (NMA) application for changes to existing planning permission which it then rejected, after it deemed the changes as material, incurring a £234.00 fee. There was no fault in the initial advice the case officer gave Miss X. However, there was fault with the Council's on-line guidance which did not clearly manage an applicant's expectations around pre-application advice. The Council agreed to conduct a review of its on-line guidance around NMA applications.

Bristol Complaints Manager summary: Incorrectly advised the complainant to submit a non-material amendment (NMA) application for changes to an existing planning permission, which BCC then rejected, as BCC deemed the changes as material.

There was no fault in the original advice but there was fault with BCC's on-line guidance as it did not clearly manage an applicant's expectations around pre-application advice.

BCC updated their website regarding NMA applications to make it clear what information applicants should provide so the officer can provide more informed advice, and that the advice is not binding.

Service improvement recommendations: The Council agreed to review its online guidance around pre-application advice for non-material amendment planning applications so it clearly explains what information applicants should provide so the case officer can provide informed advice. The guidance should also manage an applicant's expectations that any advice is not binding.

- [Bristol City Council \(21 016 740\)](#) – click for details of case.

Other 09-Aug-2022

Ombudsman summary: Miss B was a victim of domestic abuse. She secured a property with a housing association through the Council's allocations scheme. She complained the Council did not prevent a relative of her perpetrator moving into her road. She also complained the Council did not support her to leave this property and move into a new one. Miss B said this caused her and her family considerable distress and her children had to

change schools. We found fault with the Council's complaint response. The Council offered Miss B a suitable remedy for the injustice caused.

Bristol Complaints Manager summary: Complainants' daughter was a victim of domestic abuse and a family member of the perpetrator moved in nearby via the home choice Scheme.

There was no fault by the Council in respect of the original complaint. However, there was failure with respect to the handling of the complaint on the part of the service, to adequately respond to the original complaint.

The complaint handling failure had already been acknowledged in the Council's complaint process and the Ombudsman was satisfied that the apology and agreed financial remedy for time and trouble in pursuing the complaint was sufficient.

Service improvement recommendations: None

- [Bristol City Council \(22 005 130\)](#) – click for details of case.
-

Enforcement 15-Aug-2022

Ombudsman summary: We will not investigate this complaint about the Council's delay in responding to a report of a breach of planning control and subsequent complaint. There is no evidence of fault in the decision not to take enforcement action. The Council's apology for the delays is a suitable remedy for this part of the complaint.

Bristol Complaints Manager summary: The Council had delayed in responding to a complaint about a breach of planning control, and when they eventually did respond they did not take appropriate action.

There was no evidence of fault on the part of the decision taken regarding enforcement action, but there was fault in the delay in responding to the initial report.

The delay had already been acknowledged during the Council's complaint process and the Ombudsman considered that the apology already offered was a sufficient remedy for the delay.

Service improvement recommendations: None

- [Bristol City Council \(20 007 596\)](#) – click for details of case.
-

Other 21-Aug-2022

Ombudsman summary: Mr X complained the Council was using an incorrect backdated date on its planning portal for publication of documents. The Council has introduced an automated process which prevents the upload date from being manually overridden in response to Mr X's complaint. We consider this resolved the underlying issue in Mr X's complaint but recommend the Council apologise to Mr X for the delays in handling his complaint and resolving the underlying issue.

Bristol Complaints Manager summary: The Council was using an incorrect backdated date on its planning portal for publication of documents.

The Council has introduced an automated process which prevents the upload date from being manually overridden in response to Mr X's complaint. On the evidence seen, we consider this resolved the underlying issue in Mr X's complaint but recommend the Council apologise to Mr X for the delays in handling his complaint and resolving the underlying issue.

The complaint was partly upheld at stage 1 and the Service instructed Officers on how to avoid the issue. It was not upheld at stage 2, which was a complaint about decision making at the planning meeting, as the backdating of documents issue had already been dealt with at stage 1. An apology was sent to the complainant as required by the LGO on 9 September 2022 regarding the backdating issue. However, the complainant noticed the same thing was still happening, and the LGO contacted us on 14 Oct 2022. We investigated with the service and wrote to the LGO on 27 Oct 2022 with an explanation as to why the issue was continuing, when it had in fact been resolved. No further correspondence received.

Service improvement recommendations: The Council has introduced an automated process which prevents the upload date from being manually overridden in response to Mr X's complaint.

-
- [Bristol City Council \(21 018 896\)](#) – click for details of case.
-

Special Educational Needs 23-Aug-2022

Ombudsman summary: The Council's delay completing an annual review of B's Education, Health, and Care Plan and failure to issue an amended Plan within statutory timescales was a fault. The Council was also at fault for failing

to ensure the education provision in B's Plan was in place. As a result, B started post-sixteen education without an up-to-date Plan and missed six months of Speech and Language Therapy. To remedy this injustice, the Council has agreed to apologise, pay £1,750, and act to improve its services.

Bristol Complaints Manager summary: The Council's delay completing an annual review of Education, Health, and Care Plan and failure to issue an amended Plan within statutory timescales and failing to ensure the education provision the Plan was in place.

The Council was a fault re; the above and as a result, the child started post-sixteen education without an up-to-date Plan and missed six months of Speech and Language Therapy.

The LGO ordered that the Council apologise in writing, pay £250 in recognition of avoidable time and trouble and £1,500 in recognition of the loss of educational provision and delay completing the annual review. The complaint was partly upheld at stage 1 and stage 2, and apologies provided in writing then. The LGO found fault with the Council for not actively monitoring schools to provide what they are supposed to, hence the service improvement. A SOP has now been drafted for staff.

Service improvement recommendations: The Council has agreed to identify and implement a mechanism to ensure the Council checks SEN provision is in place following a phase transfer and/or issuing a new or amended EHC Plan.

-
- [Bristol City Council \(21 015 811\)](#) – click for details of case.
-

Special Educational Needs 29-Aug-2022

Ombudsman summary: The Council delayed issuing a final education, health and care plan and failed to consider providing alternative education provision when Mr B's daughter stopped attending school. As a result, Mr B's daughter missed education and special educational needs provision. An apology, payment to Mr B and review of the process to manage completion of education, health and care plans is satisfactory remedy.

Bristol Complaints Manager summary: Delay in issuing EHCP and failure to consider alternative education provision when the child stopped attending school.

BCC failed to issue the EHCP within the 20-week timescale and failed to provide education for several months.

BCC apologised for this, paid £3300 to reflect the lost Educational needs provision and education, paid £500 to reflect the impact on the complainant and their partner and reviewed its procedure to ensure there is a process in place to identify when an EHCP is approaching the 20-week date, to ensure timescales are not breached (upon review it was deemed the process to identify was working).

Service improvement recommendations: Within two months of my decision the Council should review its procedure to ensure there is a process in place to identify when production of an EHCP is approaching the 20-week date to ensure timescales are not breached.

- [Bristol City Council \(20 013 922\)](#) – click for details of case.
-

Planning applications 01-Sep-2022

Ombudsman summary: There was no fault by the Council in how it handled planning matters on a large development next to Mr B's house. It carefully considered all the planning matters and reached a conclusion based on this. The Council failed to respond to Mr B's complaint to it about this. The Council has apologised, offered to pay Mr B £100, and has identified how it can prevent this from happening again.

Bristol Complaints Manager summary: Council had failed to carefully consider a number of points in recommending acceptance of a major planning application.

There was no fault in the way the Council had considered the planning application, but there was fault in the complaint handling. The service had failed to respond to the complaint in a timely manner and despite several follow ups from the complainant had only responded when chased by the Customer Relations Team following contact from the Ombudsman.

The complaint handling failure had already been addressed by the Council at Stage 2 and the Ombudsman was satisfied that the apology and agreed financial remedy for time and trouble in pursuing the complaint was sufficient.

Service improvement recommendations: None

- [Bristol City Council \(22 007 442\)](#) – click for details of case.
-

Covid-19 03-Oct-2022

Ombudsman summary: We shall not investigate this complaint about Mr X's business rates. This is mainly because the Council has now agreed a suitable remedy for the injustice caused by its failure to consider its discretion on the business rates debt.

Bristol Complaints Manager summary: The Council's decision to apply business rates from 1 March 2020, as it does not consider the fact that the complainant was unable to claim any relief in the form of Covid hospitality grants, and because of the delay in the disposal of the premises due to planning application issues.

We shall not investigate this complaint about Mr X's business rates. This is mainly because the Council has now agreed a suitable remedy for the injustice caused by its failure to consider its discretion on the business rates debt.

The complaint was not upheld at stage 1 or 2, as it was in line with Council policy. However, we were contacted by the LGO and asked to review the decision in the exercise of discretion, which we had not applied previously. LGO noted: 'Therefore it seems inaccurate of the Council's stage 1 response to say the Council was 'unable to' write off the business rates as the debt has been correctly incurred. It also seems incorrect for the stage 2 response to say '...the Council has no discretion to 'write off' a tax correctly incurred...' The fact the debt was correctly incurred does not affect the Council's section 49 discretion'.

We reviewed the decision, and applied discretion, with the same result, that the amount was payable. This satisfied the LGO's requirement to review, not necessarily change, the decision.

Service improvement recommendations: Note to ensure we correctly word such responses in future.

-
- [Bristol City Council \(21 016 567\)](#) – click for details of case.
-

Safeguarding 10-Oct-2022

Ombudsman summary: Miss X complained about a lack of care and support provided by the Council and its care provider to vulnerable occupants of supported living accommodation on the street where she lives. There was no fault in the assessment process or in the care and support provided. However, the Council did accept there was a delay finding suitable new accommodation for one of its service users. It agreed to provide Ms X a personal remedy for the impact of the delay.

Bristol Complaints Manager summary: Lack of care and support provided by BCC and care provider to vulnerable occupants of supported living accommodation on the street where complainant lives. No fault in assessment process or in care and support provided. Delay finding suitable new accommodation for one of its service users. Paid £200 for distress and uncertainty caused.

Service improvement recommendations: None

- [Bristol City Council \(21 014 834\)](#) – click for details of case.

Special educational needs 26-Oct-2022

Ombudsman summary: Mr X complained the Council delayed conducting an EHCP (education, health, and care plan) assessment for his daughter Y. He complains this caused distress and delayed his appeal rights. The Council is at fault for failing to keep to statutory deadlines and delaying the completion of Y's EHC Plan assessment. This caused an injustice to Mr X and Y. The Council has agreed to provide Mr X with an apology and a £800 financial award to be used for Y's educational benefit.

Bristol Complaints Manager summary: The Council delayed conducting an EHCP assessment.

The Council was at fault for failing to complete the EHCP within legal timescales.

Apologise to the complainant and provide an £800 financial award to be used for the child's educational benefit.

Service improvement recommendations: None

- [Bristol City Council \(22 008 395\)](#) – click for details of case.
-

Looked after children 15-Nov-2022

Ombudsman summary: We uphold Mr X's complaint that the Council has failed to reply to his complaint within its Children Act statutory complaints' procedure. The Council has agreed to make a payment for the injustice caused by this and to now complete the procedure.

Bristol Complaints Manager summary: Complainant, on behalf of care leaver, complained that BCC failed to sort out citizenship application before he became eighteen. BCC failed to investigate through complaints procedure.

Complaint was subsequently investigated through complaints procedure. Young person paid £150 for delay in replying to complaint.

Service improvement recommendations: None

- [Bristol City Council \(22 002 385\)](#) – click for details of case.
-

Housing allocations 18-Nov-2022

Ombudsman summary: Mrs X complained the Council failed to give her housing application the correct priority and failed to make reasonable adjustments for disabilities that family members had. We found the Council's decisions on housing priority were in accordance with its policy, however, because the Council was not proactive in seeking suitable temporary accommodation for the family, they had to remain in their existing property until they were evicted. We recommended a remedy for the additional distress the Council's fault caused.

Bristol Complaints Manager summary: BCC failed to give the housing application the correct priority and failed to make reasonable adjustments for disabilities that family members had when they were under threat of eviction.

BCC's decision regarding housing priority was correct, however, BCC was not proactive in seeking suitable temporary accommodation for the family, who had to remain in the property until the day they were evicted.

BCC paid £800 for time and trouble pursuing the matter and distress caused to the family.

Service improvement recommendations: None

- [Bristol City Council \(22 002 192\)](#) – click for details of case.
-

Special Educational Needs 19-Dec-2022

Ombudsman summary: Ms X complained that the Council failed to provide her daughter, C, with alternative education for a period of two years when she was only attending school part-time. We found the Council was at fault in failing to ensure the school increased C's educational provision from

September 2020. As a result, she lost out on education. The Council also delayed in issuing C's final education, health, and care plan so Ms X lost the opportunity to appeal sooner. It also delayed in responding to her complaint causing uncertainty and frustration. The Council has agreed to apologise to Ms X and make a payment to her in recognition of the injustice caused.

Bristol Complaints Manager summary: BCC did not provide alternative education for a child for two years when they were only attending school for two days per week. Parent had to tutor child themselves.

BCC was at fault for failing to ensure the school was providing a suitable education, a delay in issuing a final EHCP, and a delay in responding to the complaint.

BCC paid £300 for the lost provision for one/two months, £100 for the delay in issuing the EHCP, £100 for the uncertainty and frustration for the delay responding to the complaint and issued an apology for the identified failings.

Service improvement recommendations: None

- [Bristol City Council \(21 013 000\)](#) – click for details of case.
-

Special Educational Needs 19-Jan-2023

Ombudsman summary: We found no fault on Ms J's complaint about the Council failing to: ensure her daughter received provision set out in her Education, health, and care plan for two years; ensure her reintegration back into the classroom; make alternative education provision. There was fault in the first stage handling of her complaint. The agreed action remedies the injustice this caused.

Bristol Complaints Manager summary: BCC failed to ensure education was provided to the complainant's daughter, as set out in the EHCP.

BCC was not at fault for the substantive matter, but the Ombudsman identified there were failings in handling of the stage one complaint as the response did not contain information on how to escalate the complaint or what the outcome was.

BCC wrote to apologise with a reminder given to the officer involved who updated systems/processes to ensure this does not repeat.

Service improvement recommendations: Reminder given to the officer involved who updated systems/processes to ensure this does not repeat itself.

[Bristol City Council \(22 013 354\)](#) – click for details of case.

Enforcement 31-Jan-2023

Ombudsman summary: We will not investigate this complaint about failures in the way the Council dealt with the complainant's high hedge application. The Council has apologised and is considering a fresh application. We consider further investigation is unlikely to lead to a different outcome. Also, we cannot achieve the outcome the complainant is seeking.

Bristol Complaints Manager summary: The way BCC dealt with a high hedge complaint.

BCC should not have processed the original complaint as the neighbours had not provided enough evidence that they exhausted attempts to resolve the matter through mediation.

BCC apologised and closed the complaint without issuing a decision. A new complaint was logged by the neighbour and a site inspection will be conducted.

Service improvement recommendations: None

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- [Bristol City Council \(22 009 587\)](#) – click for details of case.
-

Special Educational Needs 03-Feb-2023

Ombudsman summary: Mrs X complained the Council has failed to progress her son's Education, Health, and Care Plan assessment in a timely manner. She also complained the Council has not kept her informed. There were delays in the assessment. The Council will apologise and make a payment to recognise the distress and frustration caused to Mrs X and her family.

Bristol Complaints Manager summary: Delay in issuing EHCP and communication was poor.

There was a delay in issuing the EHCP, although the child did not miss any provision as a support plan was in place prior to issuing the EHCP which covered the provision.

BCC apologised for the delay and paid £200 to recognise the worry and frustration caused due to the delay.

Service improvement recommendations: None

- [Bristol City Council \(22 009 018\)](#) – click for details of case.
-

Special Educational Needs 10-Feb-2023

Ombudsman summary: Ms M complains about delay issuing her son B's Education, Health, and Care (EHC) Plan. She complains the Council said the plan would specify special educational provision for B, but the final Plan said his needs could be met in a mainstream school with additional support. The Council has offered a suitable remedy for the impact of the delay. The Ombudsman cannot resolve Ms M's complaint about the content of the Plan.

Bristol Complaints Manager summary: Delay issuing EHCP.

BCC was at fault for the delay issuing the EHCP.

BCC paid £700 for the lost provision and £100 for the time/trouble caused.

Service improvement recommendations: None

- [Bristol City Council \(21 015 107\)](#) – click for details of case.
-

Special Educational Needs 02-Mar-2023

Ombudsman summary: Miss X complains the Council did not fully secure the provision detailed in her child's Education, Health, and Care Plan. The Council accepts it was at fault for failing to secure the provision. The fault has caused an injustice to Miss X and her child. The Council has agreed to our recommendations to remedy the injustice.

Bristol Complaints Manager summary: The Council did not fully secure the provision detailed in her child's Education, Health, and Care Plan since it was finalised in 2019.

The Council accepts it was at fault for failing to secure the provision. The fault has caused an injustice to Miss S and her child.

Apologise for the identified fault and injustice caused; Pay £200 to be used on the health and wellbeing of her son; and £150 to reflect the avoidable time and trouble complaining and her avoidable distress. This complaint was

upheld at stage 2 and the service were actively trying to secure missing provision, given limited providers and availability. We also did not oppose the Tribunal application and were fully supportive of the complainants' request for Education Otherwise Than at School (EOTAS).

Service improvement recommendations: None

- [Bristol City Council \(22 008 123\)](#) – click for details of case.
-

Special Educations Needs 17-Mar-2023

Ombudsman summary: Ms X complained about the Council's failure to provide her son, Child Y, with suitable education for over a year, including support for his special educational needs. She also complained about delay and how the Council managed the case. We have found the Council to be at fault. To remedy the injustice, the Council has agreed to apologise, make a payment to Ms X, and review its practices.

Bristol Complaints Manager summary: BCC did not provide suitable education for over a year, including support with the child's special educational needs. There was also a delay in how BCC managed the case.

BCC failed to provide adequate alternative provision between May 2021 & May 2022, and May 2022 & September 2022, failed to ensure one section of the support listed in the EHCP was provided, there was poor communication and case handling, delays in the EHCP process and put the parent to time and trouble having to complain.

BCC apologised in writing to parent and child, paid £1000 for distress, and £3000 for failure to provide education, including SEN support between May 2021 & September 2022.

BCC also reflected and reviewed its policies and sent a short report setting out the councils plans to ensure similar problems do not reoccur - those being, communication with parents, delays around the EHCNA process, placement panel decision making, and oversight and responsibilities for children unable to attend school.

Service improvement recommendations: The Council has agreed to reflect on the issues raised in this decision statement and identify any areas of service improvement, particularly around communication with parents and delay in the EHCP process. It should also review its policies and procedures to ensure the Council retains oversight and responsibility for its duties to children unable to attend school. The Council should prepare a short report

setting out what the Council intends to do to ensure similar problems not reoccur. This report should be sent to the Ombudsman.

- [Bristol City Council \(22 016 420\)](#) – click for details of case.

Special Educational Needs 22-Mar-2023

Ombudsman summary: We will not investigate Miss X's complaint about delays in the Education, Health, and Care needs assessment process. She says the Council delayed in issuing her child's final EHC plan. This is because an investigation would not lead to a different outcome as the Council has already provided an appropriate remedy.

Bristol Complaints Manager summary: Delays in the Education, Health, and Care needs assessment process and issuing a final EHC plan.

Complaint not investigated, because an investigation would not lead to a different outcome as the Council has already provided an appropriate remedy.

This complaint was upheld at Stage 2. We agreed to pay travel costs during the period of the assessment and consult delay, as the child was in school, and needs were being met.

Service improvement recommendations: None

Complaints and Enquiries Received (by Category) 2022-23

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	4	1	0	8	1	4	5	3	26
Allerdale Borough Council	0	3	2	0	2	0	0	5	0	12
Amber Valley Borough Council	0	2	1	0	2	0	0	3	1	9
Arun District Council	0	2	3	0	3	0	1	8	0	17
Ashfield District Council	0	1	3	0	5	0	3	4	0	16
Ashford Borough Council	0	3	1	0	1	0	2	10	0	17
Babergh District Council	1	2	1	0	0	0	2	5	0	11
Barnsley Metropolitan Borough Council	5	1	5	19	4	2	1	6	0	43
Barrow-in-Furness Borough Council	1	2	1	0	1	0	2	1	0	8
Basildon Borough Council	0	2	3	0	4	0	16	4	1	30
Basingstoke & Deane Borough Council	0	3	0	0	6	3	2	9	0	23
Bassetlaw District Council	0	2	2	0	0	0	1	3	0	8
Bath and North East Somerset Council	7	5	2	3	4	4	1	5	0	31
Bedford Borough Council	5	8	2	10	7	6	3	1	0	42
Birmingham City Council	37	39	15	65	77	81	144	24	8	490
Blaby District Council	0	0	0	0	3	1	0	2	0	6
Blackburn with Darwen Council	2	4	1	11	4	3	0	3	0	28
Blackpool Borough Council	8	1	0	7	2	2	5	1	0	26
Bolsover District Council	0	0	0	0	0	0	0	2	0	2
Bolton Metropolitan Borough Council	11	9	6	9	6	6	9	8	0	64
Boston Borough Council	0	2	0	0	1	0	0	1	0	4
Bournemouth, Christchurch and Poole Council	15	4	12	36	16	11	12	18	3	127
Bracknell Forest Council	4	6	1	20	1	0	3	2	0	37
Braintree District Council	0	1	0	0	2	1	2	9	1	16
Breckland District Council	0	2	2	0	1	0	1	5	0	11
Brentwood Borough Council	0	1	1	0	3	0	5	8	0	18
Brighton & Hove City Council	13	8	5	13	13	17	11	3	1	84
Bristol City Council	18	5	8	26	12	17	19	12	0	117
Broadland District Council	0	0	0	0	2	0	2	6	0	10
Broads Authority	0	0	0	0	0	0	0	1	0	1
Bromsgrove District Council	0	0	0	0	0	0	1	9	0	10
Broxbourne Borough Council	0	2	1	0	4	2	5	4	0	18
Broxtowe Borough Council	0	2	1	0	2	0	6	11	0	22
Buckinghamshire Council	10	8	6	49	24	8	3	30	2	140
Burnley Borough Council	0	4	2	0	0	0	1	2	0	9
Bury Metropolitan Borough Council	10	7	4	27	8	8	7	1	0	72
Calderdale Metropolitan Borough Council	8	6	2	16	6	7	2	7	1	55
Cambridge City Council	1	4	2	0	5	3	7	3	0	25
Cambridgeshire & Peterborough Combined Authority	0	0	0	0	0	0	0	0	0	0
Cambridgeshire County Council	21	0	2	41	1	11	0	0	0	76
Cannock Chase District Council	0	5	0	0	4	1	2	3	0	15
Canterbury City Council	0	4	3	0	4	0	10	10	0	31
Carlisle City Council	0	0	0	0	3	0	0	2	0	5
Castle Point Borough Council	0	0	0	0	1	0	2	1	0	4
Central Bedfordshire Council	4	2	1	11	3	4	2	3	0	30
Charmwood Borough Council	0	4	1	0	1	0	9	7	0	22
Chelmsford City Council	0	2	2	0	3	0	4	2	0	13
Cheltenham Borough Council	0	0	1	0	2	1	1	6	0	11
Cherwell District Council	0	7	1	0	2	0	1	2	0	13
Cheshire East Council	23	4	7	24	11	23	3	31	0	126
Cheshire West & Chester Council	17	2	5	14	10	6	4	10	2	70
Chesterfield Borough Council	0	2	1	0	4	0	3	3	0	13
Chichester District Council	0	5	1	0	0	1	2	5	0	14
Chorley Borough Council	0	2	1	0	2	0	1	1	0	7
City Of Bradford Metropolitan District Council	25	12	7	41	8	54	2	9	2	160
City of London	0	0	1	1	2	1	2	0	0	7
City of Wolverhampton Council	5	2	4	11	8	1	7	3	1	42
City of York Council	10	6	3	4	12	12	8	8	1	64
Colchester Borough Council	0	2	0	0	0	0	4	4	0	10
Copeland Borough Council	0	0	2	0	0	0	1	1	0	4
Cornwall Council	38	5	13	36	11	10	15	41	2	171
Cotswold District Council	0	2	1	0	2	0	0	5	0	10
Council of the Isles of Scilly	1	0	0	1	0	0	0	0	0	2
Coventry City Council	8	5	6	18	11	8	11	5	1	73
Craven District Council	0	2	0	0	1	0	0	4	0	7
Crawley Borough Council	0	0	0	0	5	0	6	0	0	11
Cumbria County Council	12	0	5	29	2	13	0	4	0	65
Dacorum Borough Council	0	4	2	0	3	0	4	4	0	17
Darlington Borough Council	13	7	1	6	2	0	2	2	0	33
Dartford Borough Council	0	2	0	0	1	0	2	1	1	7
Dartmoor National Park Authority	0	0	0	0	1	0	0	1	0	2
Daventry District Council	0	0	0	0	0	0	0	0	0	0
Derby City Council	4	8	1	32	1	4	4	4	1	59
Derbyshire County Council	29	0	6	50	1	11	0	0	0	97
Derbyshire Dales District Council	0	0	7	0	0	0	0	2	0	9
Devon County Council	27	0	7	71	16	36	1	2	1	161
Doncaster Metropolitan Borough Council	10	6	2	16	5	5	4	8	0	56
Dorset Council	12	6	5	45	9	10	7	30	0	124
Dover District Council	0	2	1	0	0	0	6	8	1	18
Dudley Metropolitan Borough Council	10	6	3	17	7	4	19	7	0	73
Durham County Council	21	4	10	19	10	7	6	13	0	90
East Cambridgeshire District Council	0	0	2	0	2	0	1	5	0	10
East Devon District Council	0	1	0	0	2	0	3	7	1	14
East Hampshire District Council	0	0	0	0	7	0	1	7	0	15
East Hertfordshire District Council	0	0	1	0	2	1	1	7	0	12

East Lindsey District Council	0	1	0	0	3	1	3	9	0	17
East Riding of Yorkshire Council	16	3	3	22	7	8	5	15	0	79
East Staffordshire Borough Council	0	1	0	0	1	0	1	2	0	5
East Suffolk Council	1	3	6	0	7	3	5	6	1	32
East Sussex County Council	30	0	4	37	0	11	0	0	0	82
Eastbourne Borough Council	1	6	2	0	2	0	5	2	0	18
Eastleigh Borough Council	0	4	2	0	6	0	4	3	0	19
Eden District Council	0	2	3	0	1	0	0	3	0	9
Elmbridge Borough Council	0	3	3	0	4	1	1	7	0	19
Environment Agency	0	0	0	0	8	0	0	0	1	9
Epping Forest District Council	0	2	2	0	7	1	9	8	0	29
Epsom & Ewell Borough Council	0	0	1	0	5	1	0	10	0	17
Erewash Borough Council	0	1	2	0	3	0	1	6	0	13
Essex County Council	36	0	3	60	8	31	0	2	1	141
Exeter City Council	0	1	0	0	1	1	5	3	0	11
Exmoor National Park Authority	0	0	1	0	0	0	0	0	0	1
Fareham Borough Council	0	1	0	0	0	1	2	2	0	6
Fenland District Council	0	1	3	0	1	0	1	4	0	10
Folkestone & Hythe District Council	0	0	2	0	4	2	3	4	1	16
Forest of Dean District Council	0	0	1	0	0	0	0	5	0	6
Fylde Borough Council	0	1	0	0	1	0	0	3	0	5
Gateshead Metropolitan Borough Council	12	1	3	18	6	5	12	3	1	61
Gedling Borough Council	0	2	0	0	3	0	1	6	0	12
Gloucester City Council	0	3	1	0	3	0	0	2	0	9
Gloucestershire County Council	19	0	5	55	0	9	0	0	0	88
Gosport Borough Council	0	1	1	0	1	0	1	0	0	4
Gravesham Borough Council	0	0	1	0	0	3	6	0	0	10
Great Yarmouth Borough Council	1	1	0	0	4	0	3	3	0	12
Greater London Authority	0	0	0	0	0	0	1	0	0	1
Greater Manchester Combined Authority	0	0	1	0	1	2	0	0	0	4
Guildford Borough Council	0	2	0	0	2	0	3	10	0	17
Halton Borough Council	5	0	2	3	2	2	3	2	1	20
Hambleton District Council	0	0	0	0	2	0	0	3	0	5
Hampshire County Council	31	0	1	91	5	14	0	1	0	143
Harborough District Council	0	1	0	0	5	0	0	13	0	19
Harlow District Council	0	1	1	0	2	0	11	3	0	18
Harrogate Borough Council	1	1	0	0	5	1	3	5	0	16
Hart District Council	0	0	1	0	2	0	0	1	0	4
Hartlepool Borough Council	3	0	3	10	1	0	0	0	1	18
Hastings Borough Council	0	5	1	0	3	1	2	6	0	18
Havant Borough Council	0	7	1	0	10	0	2	4	0	24
Herefordshire Council	6	6	9	14	11	4	0	7	0	57
Hertfordshire County Council	12	0	4	93	1	15	0	0	0	125
Hertsmere Borough Council	0	2	1	0	1	1	4	0	0	9
High Peak Borough Council	0	1	2	0	5	0	2	3	0	13
Hinckley & Bosworth Borough Council	0	0	1	0	2	1	1	2	0	7
Horsham District Council	0	0	1	0	0	0	4	5	0	10
Huntingdonshire District Council	0	1	3	0	3	0	0	5	0	12
Hyndburn Borough Council	0	1	1	0	2	0	0	0	0	4
Ipswich Borough Council	0	0	0	0	2	3	7	1	0	13
Isle of Wight Council	10	0	6	14	1	3	4	13	0	51
Kent County Council	67	1	4	146	5	19	0	0	1	243
King's Lynn & West Norfolk Council	0	1	3	0	1	1	1	2	1	10
Kingston upon Hull City Council	11	2	7	20	5	7	4	0	0	56
Kirklees Metropolitan Borough Council	16	8	2	22	15	4	5	17	1	90
Knowsley Metropolitan Borough Council	6	0	0	4	3	0	3	4	1	21
Lake District National Park Authority	0	0	0	0	0	0	0	3	0	3
Lancashire County Council	51	0	6	64	2	19	0	3	0	145
Lancaster City Council	0	2	3	0	1	0	0	3	0	9
Leeds City Council	24	14	8	50	22	7	28	14	4	171
Leicester City Council	17	10	1	14	4	7	26	4	1	84
Leicestershire County Council	29	0	0	67	3	15	0	0	3	117
Lewes District Council	0	2	0	0	0	0	4	3	0	9
Lichfield District Council	0	1	0	0	1	0	1	4	0	7
Lincoln City Council	0	2	0	0	1	3	8	3	0	17
Lincolnshire County Council	20	0	4	24	4	23	0	1	0	76
Liverpool City Council	16	10	8	36	8	7	13	6	0	104
Liverpool City Region Combined Authority	0	0	0	0	0	1	0	0	0	1
London Borough of Barking & Dagenham	5	11	2	23	9	28	22	4	2	106
London Borough of Barnet	12	49	5	16	11	19	30	11	1	154
London Borough of Bexley	10	2	2	18	8	3	13	6	1	63
London Borough of Brent	14	19	2	9	5	8	35	4	3	99
London Borough of Bromley	13	11	1	35	14	14	26	9	0	123
London Borough of Camden	10	5	3	4	8	15	37	10	4	96
London Borough of Croydon	27	35	5	30	20	16	49	15	1	198
London Borough of Ealing	10	17	8	11	14	18	36	10	3	127
London Borough of Enfield	14	13	4	15	10	8	39	23	3	129
London Borough of Hackney	16	16	7	16	10	15	44	3	1	128
London Borough of Hammersmith & Fulham	8	2	3	12	7	10	38	7	1	88
London Borough of Haringey	24	18	7	23	16	26	45	4	4	167
London Borough of Harrow	23	15	4	13	12	11	14	2	1	95
London Borough of Havering	10	5	3	7	14	20	21	10	1	91
London Borough of Hillingdon	20	8	11	14	18	8	34	8	1	122
London Borough of Hounslow	12	14	6	15	7	9	30	10	0	103
London Borough of Islington	16	18	4	11	8	8	28	3	2	98
London Borough of Lambeth	12	21	2	27	21	26	84	7	4	204
London Borough of Lewisham	9	12	2	23	15	7	47	5	0	120
London Borough of Merton	11	5	1	10	6	11	5	11	0	60
London Borough of Newham	13	16	5	21	13	27	55	4	2	156
London Borough of Redbridge	12	8	8	18	9	22	41	16	0	134
London Borough of Richmond upon Thames	6	4	5	16	5	3	6	6	0	51
London Borough of Southwark	11	14	10	16	11	14	64	9	5	154
London Borough of Sutton	8	2	2	15	10	13	13	4	0	67
London Borough of Tower Hamlets	12	4	6	10	11	15	45	11	4	118
London Borough of Waltham Forest	7	14	5	14	15	20	35	11	0	121

London Borough of Wandsworth	7	5	2	12	14	7	41	4	0	92
Luton Borough Council	12	11	5	10	2	2	10	4	0	56
Maidstone Borough Council	0	7	3	0	2	1	3	5	1	22
Maldon District Council	0	2	0	0	8	0	0	6	0	16
Malvern Hills District Council	0	0	2	0	0	0	1	4	0	7
Manchester City Council	18	18	7	31	21	23	21	7	2	148
Mansfield District Council	0	0	0	0	4	1	0	2	0	7
Medway Council	11	7	1	18	6	7	11	13	1	75
Melton Borough Council	0	0	0	0	1	0	2	2	0	5
Mendip District Council	0	8	0	0	4	2	3	6	0	23
Mid Devon District Council	0	0	2	0	1	1	1	6	1	12
Mid Suffolk District Council	0	2	1	0	1	1	3	9	0	17
Mid Sussex District Council	0	3	0	0	1	0	4	5	0	13
Middlesbrough Borough Council	1	2	5	15	8	1	1	3	0	36
Milton Keynes Council	5	4	3	17	12	6	16	3	2	68
Mole Valley District Council	0	1	1	0	1	1	1	4	0	9
New Forest District Council	0	0	0	0	1	0	4	4	1	10
New Forest National Park Authority	0	0	0	0	1	0	0	1	0	2
Newark & Sherwood District Council	0	0	2	0	2	0	1	3	0	8
Newcastle upon Tyne City Council	11	3	3	14	5	1	10	3	0	50
Newcastle-under-Lyme Borough Council	0	2	0	0	4	0	2	0	0	8
Norfolk County Council	26	0	3	43	4	13	0	1	1	91
North Devon District Council	1	1	1	0	1	0	2	8	0	14
North East Combined Authority	0	0	0	0	0	1	0	0	0	1
North East Derbyshire District Council	0	1	2	0	2	0	2	3	0	10
North East Lincolnshire Council	2	3	1	13	2	0	0	3	0	24
North Hertfordshire District Council	0	0	2	0	4	0	2	8	1	17
North Kesteven District Council	0	1	0	0	1	0	0	2	0	4
North Lincolnshire Council	4	0	2	9	2	0	2	1	1	21
North Norfolk District Council	0	3	4	0	3	0	1	4	0	15
North Northamptonshire Council	8	3	7	22	9	2	6	6	1	64
North of Tyne Combined Authority	0	0	0	0	0	0	0	0	0	0
North Somerset Council	9	8	2	12	9	3	1	5	0	49
North Tyneside Metropolitan Borough Council	10	3	4	7	3	4	2	3	2	38
North Warwickshire Borough Council	0	0	1	0	2	2	1	2	0	8
North West Leicestershire District Council	0	1	0	0	1	0	3	7	0	12
North York Moors National Park Authority	0	0	0	0	0	0	0	0	0	0
North Yorkshire County Council	34	0	4	34	0	7	0	0	0	79
Northumberland County Council	10	8	2	13	12	8	10	18	0	81
Northumberland National Park Authority	0	0	0	0	0	0	0	0	0	0
Norwich City Council	0	5	2	0	4	2	16	2	2	33
Nottingham City Council	11	4	3	7	12	6	16	6	1	66
Nottinghamshire County Council	26	0	2	32	4	11	0	0	1	76
Nuneaton & Bedworth Borough Council	2	1	4	0	13	1	5	10	0	36
Oadby & Wigston Borough Council	0	2	0	0	1	0	0	1	0	4
Oldham Metropolitan Borough Council	19	4	3	15	5	4	4	4	1	59
Oxford City Council	0	1	1	0	1	0	3	4	0	10
Oxfordshire County Council	16	0	2	76	0	7	0	0	1	102
Peak District National Park Authority	0	0	0	0	0	0	0	2	0	2
Pendle Borough Council	0	3	1	0	4	0	1	0	0	9
Peterborough City Council	3	3	2	5	4	6	1	1	0	25
Plymouth City Council	12	5	1	19	20	8	1	5	1	72
Portsmouth City Council	8	1	4	11	3	4	9	6	0	46
Preston City Council	0	4	0	0	1	0	1	4	0	10
Reading Borough Council	6	6	3	23	5	5	6	3	0	57
Redcar & Cleveland Council	5	5	0	5	3	1	2	2	2	25
Redditch Borough Council	0	2	2	0	0	0	6	5	0	15
Reigate & Banstead Borough Council	1	3	1	0	3	0	3	4	0	15
Ribble Valley Borough Council	0	1	1	0	2	0	0	5	0	9
Richmondshire District Council	0	0	0	0	2	0	0	3	0	5
Rochdale Metropolitan Borough Council	18	4	9	9	4	3	3	4	0	54
Rochford District Council	0	1	0	0	4	0	0	2	0	7
Rossendale Borough Council	0	2	0	0	1	0	0	2	0	5
Rother District Council	0	1	3	0	1	1	2	9	0	17
Rotherham Metropolitan Borough Council	6	3	2	18	6	0	6	4	0	45
Royal Borough of Greenwich	7	9	4	19	10	9	27	7	0	92
Royal Borough of Kensington & Chelsea	5	4	2	5	8	1	37	4	3	69
Royal Borough of Kingston upon Thames	7	3	5	7	7	15	9	9	0	62
Royal Borough of Windsor and Maidenhead Council	3	1	5	10	5	7	8	9	1	49
Rugby Borough Council	0	1	0	0	4	2	2	2	0	11
Runnymede Borough Council	0	1	1	0	0	2	3	2	0	9
Rushcliffe Borough Council	0	2	0	0	1	1	1	2	0	7
Rushmoor Borough Council	0	1	1	0	0	0	2	6	0	10
Rutland County Council	3	0	1	5	0	0	0	2	0	11
Ryedale District Council	0	1	1	0	0	0	1	2	0	5
Salford City Council	8	16	2	27	7	6	7	4	1	78
Sandwell Metropolitan Borough Council	21	14	8	11	13	4	29	3	2	105
Scarborough Borough Council	0	0	4	0	1	2	3	7	0	17
Sedgemoor District Council	0	1	0	0	1	0	1	3	1	7
Sefton Metropolitan Borough Council	10	3	4	14	10	3	4	10	2	60
Selby District Council	0	0	0	0	2	0	3	3	0	8
Sevenoaks District Council	0	1	0	0	1	1	3	4	1	11
Sheffield City Council	17	8	2	33	10	12	29	8	5	124
Shropshire Council	15	3	1	12	5	10	3	11	0	60
Slough Borough Council	5	15	3	15	10	1	16	1	2	68
Solihull Metropolitan Borough Council	5	4	1	15	1	3	5	3	0	37
Somerset County Council	17	0	2	59	3	8	0	0	1	90
Somerset West and Taunton Council	0	6	3	0	9	1	6	9	0	34
South Cambridgeshire District Council	0	3	3	0	3	1	0	13	1	24
South Derbyshire District Council	0	0	3	0	2	0	0	1	0	6
South Downs National Park Authority	0	0	0	0	0	0	0	3	0	3
South Gloucestershire Council	6	3	3	18	5	6	3	11	0	55
South Hams District Council	0	0	2	0	6	0	0	8	0	16
South Holland District Council	0	1	3	0	1	0	3	5	0	13
South Kesteven District Council	0	0	2	0	6	0	2	5	0	15

South Lakeland District Council	0	4	0	0	5	0	1	9	0	19
South Norfolk District Council	0	1	1	0	1	0	5	2	1	11
South Oxfordshire District Council	0	1	2	0	1	0	0	6	0	10
South Ribblesdale Borough Council	0	0	1	0	3	0	1	3	0	8
South Somerset District Council	0	0	0	0	1	0	0	11	0	12
South Staffordshire District Council	0	2	0	0	2	0	0	4	0	8
South Tyneside Metropolitan Borough Council	2	1	8	4	7	3	7	5	0	37
South Yorkshire Mayoral Combined Authority	0	0	0	0	0	0	0	0	0	0
Southampton City Council	7	3	5	16	11	6	7	1	0	56
Southend-on-Sea City Council	4	5	4	11	3	7	8	2	0	44
Spelthorne Borough Council	0	3	1	0	2	0	1	2	0	9
St Albans City Council	0	3	2	0	2	1	4	2	0	14
St Helens Metropolitan Borough Council	13	2	7	14	3	2	1	6	0	48
Stafford Borough Council	0	2	1	0	1	0	1	7	0	12
Staffordshire County Council	42	0	2	64	1	12	0	0	2	123
Staffordshire Moorlands District Council	0	0	0	0	0	0	0	2	0	2
Stevenage Borough Council	0	0	2	0	5	0	15	4	1	27
Stockport Metropolitan Borough Council	9	3	1	13	16	3	3	17	0	65
Stockton-on-Tees Borough Council	6	7	3	15	1	0	1	1	0	34
Stoke-on-Trent City Council	10	3	8	33	4	7	3	4	0	72
Stratford-on-Avon District Council	0	2	1	0	1	0	1	4	0	9
Stroud District Council	0	1	0	0	2	0	1	7	0	11
Suffolk County Council	32	0	0	93	4	13	0	1	0	143
Sunderland City Council	14	2	1	16	7	4	1	5	1	51
Surrey County Council	39	0	5	157	1	9	0	3	1	215
Surrey Heath Borough Council	0	3	5	0	0	0	2	4	0	14
Swale Borough Council	0	0	1	0	4	2	1	2	0	10
Swindon Borough Council	4	4	1	21	6	8	13	9	1	67
Tameside Metropolitan Borough Council	13	5	3	18	10	3	1	10	0	63
Tamworth Borough Council	0	1	0	0	4	0	4	2	0	11
Tandridge District Council	0	2	2	0	2	0	1	4	0	11
Tees Valley Combined Authority	0	0	1	0	0	0	0	0	0	1
Teignbridge District Council	0	1	1	0	2	1	1	5	0	11
Telford & Wrekin Council	3	2	1	3	0	1	4	9	1	24
Tendring District Council	0	2	4	0	6	1	3	10	0	26
Test Valley Borough Council	0	2	0	0	1	0	3	4	0	10
Tewkesbury Borough Council	0	6	0	0	1	0	1	1	0	9
Thanet District Council	0	2	3	0	15	3	8	7	0	38
Three Rivers District Council	0	1	3	0	3	2	3	1	0	13
Thurrock Council	4	7	0	12	8	1	14	6	0	52
Tonbridge and Malling Borough Council	0	0	0	0	2	0	3	3	0	8
Torbay Council	5	11	2	11	8	10	7	12	0	66
Torridge District Council	1	0	0	0	0	0	0	8	0	9
Trafford Council	12	2	2	10	13	8	2	10	1	60
Transport for London	0	0	1	0	69	318	0	0	2	390
Tunbridge Wells Borough Council	0	0	1	0	2	1	1	4	0	9
Uttlesford District Council	0	0	0	0	2	0	1	3	0	6
Vale of White Horse District Council	0	3	3	0	1	0	0	8	0	15
Wakefield City Council	10	4	2	14	7	5	5	7	1	55
Walsall Metropolitan Borough Council	7	7	3	16	4	3	2	17	0	59
Warrington Council	5	1	0	12	0	0	0	6	0	24
Warwick District Council	1	2	1	0	3	1	1	5	0	14
Warwickshire County Council	15	0	1	35	0	7	0	1	0	59
Watford Borough Council	0	2	2	0	0	0	1	4	0	9
Waverley Borough Council	0	3	2	0	3	2	5	5	0	20
Wealden District Council	0	2	5	0	0	1	2	10	0	20
Welwyn Hatfield Borough Council	0	7	2	0	7	0	6	3	1	26
West Berkshire Council	4	1	1	12	1	0	0	4	0	23
West Devon Borough Council	0	1	0	0	0	0	1	6	0	8
West Lancashire Borough Council	0	1	0	0	3	1	4	9	0	18
West Lindsey District Council	0	1	1	0	3	0	3	4	0	12
West Midlands Combined Authority	0	0	0	0	0	1	0	0	0	1
West Northamptonshire Council	21	9	8	22	8	3	11	13	0	95
West of England Combined Authority	0	0	0	0	0	0	0	0	0	0
West Oxfordshire District Council	0	2	1	0	3	0	0	6	0	12
West Suffolk Council	0	2	1	0	0	2	4	5	0	14
West Sussex County Council	33	0	0	48	2	19	0	1	0	103
West Yorkshire Combined Authority	0	0	2	0	0	0	0	0	1	3
Westminster City Council	8	19	2	10	7	5	48	7	0	106
Wigan Metropolitan Borough Council	14	6	2	15	6	3	6	9	1	62
Wiltshire Council	11	2	5	28	6	5	9	23	0	89
Winchester City Council	0	2	2	0	1	2	3	1	0	11
Wirral Metropolitan Borough Council	24	11	6	33	8	3	2	13	0	100
Woking Borough Council	0	2	3	0	2	1	1	2	1	12
Wokingham Borough Council	9	0	3	12	3	3	3	8	0	41
Worcester City Council	0	0	2	0	3	2	3	3	0	13
Worcestershire County Council	21	0	5	30	3	11	0	0	0	70
Worthing Borough Council	0	2	0	0	1	0	2	2	0	7
Wychavon District Council	0	0	0	0	0	0	4	9	0	13
Wyre Borough Council	0	0	0	0	1	0	1	1	0	3
Wyre Forest District Council	0	0	1	0	1	0	3	4	0	9
Yorkshire Dales National Park Authority	0	0	0	0	0	0	0	1	0	1
Totals	2066	1210	805	3642	1674	1793	2311	1830	157	15488

Notes

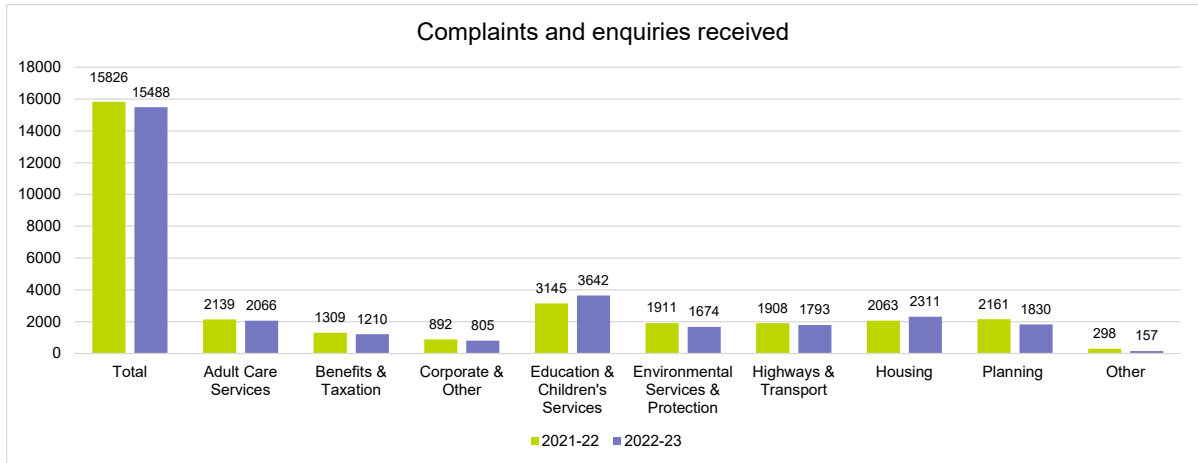
These statistics include all complaints and enquiries that were received from 01 April 2022 to 31 March 2023.

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) 2022-23

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	1	6	3	12	1	2	25	67%	59%
Allerdale Borough Council	1	0	1	6	3	1	12	25%	59%
Amber Valley Borough Council	3	0	3	4	0	0	10		59%
Arun District Council	0	0	2	13	0	2	17	100%	59%
Ashfield District Council	1	1	1	9	3	2	17	40%	59%
Ashford Borough Council	0	1	8	6	1	0	16	0%	59%
Babergh District Council	0	2	3	4	1	2	12	67%	59%
Barnsley Metropolitan Borough Council	2	1	12	15	2	7	39	78%	77%
Barrow-in-Furness Borough Council	0	0	4	3	0	0	7		59%
Basildon Borough Council	3	7	9	7	0	2	28	100%	59%
Basingstoke & Deane Borough Council	0	0	4	17	3	0	24	0%	59%
Bassetlaw District Council	0	0	0	6	0	1	7	100%	59%
Bath and North East Somerset Council	1	0	6	14	5	6	32	55%	72%
Bedford Borough Council	0	0	16	18	1	8	43	89%	72%
Birmingham City Council	21	30	138	164	25	128	506	84%	77%
Blaby District Council	0	0	1	4	0	1	6	100%	59%
Blackburn with Darwen Council	1	0	11	13	4	3	32	43%	72%
Blackpool Borough Council	2	0	8	12	0	6	28	100%	72%
Bolsover District Council	0	0	0	2	1	0	3	0%	59%
Bolton Metropolitan Borough Council	1	4	16	27	1	17	66	94%	77%
Boston Borough Council	0	0	1	2	0	1	4	100%	59%
Bournemouth, Christchurch and Poole Council	4	5	39	40	12	26	126	68%	72%
Bracknell Forest Council	1	0	10	13	4	6	34	60%	72%
Braintree District Council	1	0	6	6	1	2	16	67%	59%
Breckland District Council	0	1	2	4	2	1	10	33%	59%
Brentwood Borough Council	0	0	4	3	20	3	30	13%	59%
Brighton & Hove City Council	5	1	23	38	8	15	90	65%	72%
Bristol City Council	6	3	30	37	14	31	121	69%	72%
Broadland District Council	0	0	1	7	1	1	10	50%	59%
Broads Authority	0	0	0	2	0	0	2		0%
Bromsgrove District Council	3	0	3	3	2	1	12	33%	59%
Broxbourne Borough Council	1	0	7	6	0	5	19	100%	59%
Broxtove Borough Council	0	3	5	11	0	2	21	100%	59%
Buckinghamshire Council	2	6	24	64	8	31	135	79%	72%
Burnley Borough Council	0	0	0	6	1	4	11	80%	59%
Bury Metropolitan Borough Council	0	4	22	16	3	22	67	88%	77%
Calderdale Metropolitan Borough Council	3	2	16	22	5	15	63	75%	77%
Cambridge City Council	3	1	5	10	1	5	25	83%	59%
Cambridgeshire & Peterborough Combined Authority	0	0	0	0	0	0	0		
Cambridgeshire County Council	4	1	15	25	5	18	68	78%	80%
Cannock Chase District Council	2	1	5	6	0	2	16	100%	59%
Canterbury City Council	0	2	11	11	2	7	33	78%	59%
Carlisle City Council	0	1	0	3	3	0	7	0%	59%
Castle Point Borough Council	0	1	2	1	0	0	4		59%
Central Bedfordshire Council	1	2	10	10	1	4	28	80%	72%
Charnwood Borough Council	1	3	4	10	1	6	25	86%	59%
Chelmsford City Council	1	2	0	9	1	1	14	50%	59%
Cheltenham Borough Council	1	0	1	8	0	0	10		59%
Cherwell District Council	0	0	4	7	1	1	13	50%	59%
Cheshire East Council	4	1	24	61	8	22	120	73%	72%
Cheshire West & Chester Council	3	3	18	31	5	8	68	62%	72%
Chesterfield Borough Council	1	0	5	5	2	0	13	0%	59%
Chichester District Council	0	0	8	4	0	1	13	100%	59%
Chorley Borough Council	0	0	3	4	0	1	8	100%	59%
City Of Bradford Metropolitan District Council	7	4	51	62	8	26	158	76%	77%
City of London	0	0	3	3	3	0	9	0%	77%
City of Wolverhampton Council	4	3	7	19	2	9	44	82%	77%
City of York Council	1	7	6	38	3	19	74	86%	72%
Colchester Borough Council	0	0	6	2	0	2	10	100%	59%
Copeland Borough Council	0	0	2	0	0	0	2		59%
Cornwall Council	12	4	45	76	13	25	175	66%	72%
Cotswold District Council	0	0	4	5	0	1	10	100%	59%
Council of the Isles of Scilly	1	0	0	0	0	0	1		72%
Coventry City Council	1	4	24	32	3	17	81	85%	77%
Craven District Council	0	0	0	6	1	0	7	0%	59%
Crawley Borough Council	0	2	4	2	1	1	10	50%	59%
Cumbria County Council	4	1	14	27	4	21	71	84%	80%
Dacorum Borough Council	0	1	4	8	2	2	17	50%	59%
Darlington Borough Council	2	2	8	14	3	6	35	67%	72%
Dartford Borough Council	0	1	2	3	2	0	8	0%	59%
Dartmoor National Park Authority	0	0	1	1	0	0	2		0%
Daventry District Council	0	0	0	0	0	1	1	100%	59%

Derby City Council	4	0	28	13	4	10	59	71%	72%
Derbyshire County Council	4	3	25	34	5	21	92	81%	80%
Derbyshire Dales District Council	0	0	0	2	6	0	8	0%	59%
Devon County Council	4	7	22	76	10	28	147	74%	80%
Doncaster Metropolitan Borough Council	2	1	14	31	3	9	60	75%	77%
Dorset Council	1	1	20	56	10	26	114	72%	72%
Dover District Council	0	1	4	10	0	2	17	100%	59%
Dudley Metropolitan Borough Council	8	5	15	23	6	21	78	78%	77%
Durham County Council	2	4	16	53	10	11	96	52%	72%
East Cambridgeshire District Council	0	0	1	4	4	1	10	20%	59%
East Devon District Council	1	2	4	4	0	2	13	100%	59%
East Hampshire District Council	2	0	9	4	2	1	18	33%	59%
East Hertfordshire District Council	0	0	3	8	0	1	12	100%	59%
East Lindsey District Council	1	1	5	7	0	1	15	100%	59%
East Riding of Yorkshire Council	1	2	24	36	5	14	82	74%	72%
East Staffordshire Borough Council	1	0	1	3	0	0	5		59%
East Suffolk Council	1	1	6	18	3	4	33	57%	59%
East Sussex County Council	5	1	17	35	6	20	84	77%	80%
Eastbourne Borough Council	0	1	6	5	1	5	18	83%	59%
Eastleigh Borough Council	0	0	7	7	1	3	18	75%	59%
Eden District Council	0	0	3	5	0	0	8		59%
Elmbridge Borough Council	0	0	4	10	2	2	18	50%	59%
Environment Agency	0	1	0	7	0	0	8		
Epping Forest District Council	1	2	7	11	3	6	30	67%	59%
Epsom & Ewell Borough Council	0	0	6	10	2	2	20	50%	59%
Erewash Borough Council	0	1	1	9	1	1	13	50%	59%
Essex County Council	4	5	44	46	11	41	151	79%	80%
Exeter City Council	0	0	5	5	1	1	12	50%	59%
Exmoor National Park Authority	0	0	0	1	0	0	1		0%
Fareham Borough Council	0	1	1	5	0	1	8	100%	59%
Fenland District Council	1	0	2	4	3	0	10	0%	59%
Folkestone & Hythe District Council	1	0	2	12	1	0	16	0%	59%
Forest of Dean District Council	1	0	0	3	0	1	5	100%	59%
Fylde Borough Council	0	0	0	3	0	2	5	100%	59%
Gateshead Metropolitan Borough Council	6	9	15	20	6	8	64	57%	77%
Gedling Borough Council	0	0	0	12	0	1	13	100%	59%
Gloucester City Council	1	0	4	1	0	2	8	100%	59%
Gloucestershire County Council	6	0	20	36	9	14	85	61%	80%
Gosport Borough Council	0	0	0	3	1	1	5	50%	59%
Gravesham Borough Council	1	1	4	4	0	2	12	100%	59%
Great Yarmouth Borough Council	1	1	4	5	0	3	14	100%	59%
Greater London Authority	0	0	0	0	1	1	2	50%	79%
Greater Manchester Combined Authority	1	2	0	1	0	0	4		
Guildford Borough Council	0	2	6	7	0	2	17	100%	59%
Halton Borough Council	1	2	5	9	1	4	22	80%	72%
Hambleton District Council	0	0	2	0	3	1	6	25%	59%
Hampshire County Council	8	3	40	49	7	35	142	83%	80%
Harborough District Council	0	1	2	6	11	0	20	0%	59%
Harlow District Council	0	7	5	4	2	2	20	50%	59%
Harrogate Borough Council	2	1	2	10	2	0	17	0%	59%
Hart District Council	0	0	1	3	0	0	4		59%
Hartlepool Borough Council	1	1	5	10	2	0	19	0%	72%
Hastings Borough Council	0	2	2	12	0	2	18	100%	59%
Havant Borough Council	0	1	10	7	0	7	25	100%	59%
Herefordshire Council	4	2	13	27	6	16	68	73%	72%
Hertfordshire County Council	4	2	38	36	8	36	124	82%	80%
Hertsmere Borough Council	1	0	2	3	0	2	8	100%	59%
High Peak Borough Council	0	1	4	3	1	3	12	75%	59%
Hinckley & Bosworth Borough Council	0	0	0	6	2	0	8	0%	59%
Horsham District Council	1	0	1	8	0	0	10		59%
Huntingdonshire District Council	0	1	3	5	0	3	12	100%	59%
Hyndburn Borough Council	1	0	0	2	2	0	5	0%	59%
Ipswich Borough Council	0	3	4	5	2	2	16	50%	59%
Isle of Wight Council	1	2	13	19	6	7	48	54%	72%
Kent County Council	8	7	62	91	8	53	229	87%	80%
King's Lynn & West Norfolk Council	2	0	3	4	1	1	11	50%	59%
Kingston upon Hull City Council	2	4	11	20	2	17	56	89%	72%
Kirklees Metropolitan Borough Council	8	9	27	35	5	11	95	69%	77%
Knowsley Metropolitan Borough Council	1	1	6	8	1	1	18	50%	77%
Lake District National Park Authority	0	0	1	2	0	0	3		0%
Lancashire County Council	2	2	42	64	7	31	148	82%	80%
Lancaster City Council	0	1	3	4	1	1	10	50%	59%
Leeds City Council	6	16	41	66	17	37	183	69%	77%
Leicester City Council	8	4	23	30	5	21	91	81%	72%
Leicestershire County Council	7	4	33	45	11	27	127	71%	80%
Lewes District Council	0	1	1	6	1	3	12	75%	59%
Lichfield District Council	0	0	1	3	0	2	6	100%	59%
Lincoln City Council	0	5	3	4	0	1	13	100%	59%
Lincolnshire County Council	2	1	20	30	13	19	85	59%	80%
Liverpool City Council	4	2	37	34	6	20	103	77%	77%
Liverpool City Region Combined Authority	0	0	1	1	0	0	2		
London Borough of Barking & Dagenham	5	12	35	40	2	20	114	91%	77%
London Borough of Barnet	5	7	31	73	11	39	166	78%	77%
London Borough of Bexley	3	0	17	27	7	10	64	59%	77%

London Borough Of Brent	5	6	25	29	7	22	94	76%	77%
London Borough of Bromley	1	1	34	45	9	29	119	76%	77%
London Borough of Camden	3	16	28	26	6	14	93	70%	77%
London Borough of Croydon	7	7	63	63	12	57	209	83%	77%
London Borough of Ealing	5	9	41	53	11	17	136	61%	77%
London Borough of Enfield	5	7	47	45	6	22	132	79%	77%
London Borough of Hackney	6	11	44	38	3	25	127	89%	77%
London Borough of Hammersmith & Fulham	5	15	16	26	10	18	90	64%	77%
London Borough of Haringey	7	15	49	51	8	31	161	79%	77%
London Borough of Harrow	3	3	30	30	6	17	89	74%	77%
London Borough of Havering	7	6	28	34	4	14	93	78%	77%
London Borough of Hillingdon	7	10	26	50	4	24	121	86%	77%
London Borough of Hounslow	5	4	35	34	8	15	101	65%	77%
London Borough of Islington	4	12	32	27	5	12	92	71%	77%
London Borough of Lambeth	10	31	57	61	8	46	213	85%	77%
London Borough of Lewisham	3	9	49	28	10	21	120	68%	77%
London Borough of Merton	2	0	20	24	8	11	65	58%	77%
London Borough of Newham	8	12	55	48	8	37	168	82%	77%
London Borough of Redbridge	2	10	38	55	6	27	138	82%	77%
London Borough of Richmond upon Thames	1	0	18	15	1	10	45	91%	77%
London Borough of Southwark	6	23	36	56	8	35	164	81%	77%
London Borough of Sutton	3	2	14	31	5	16	71	76%	77%
London Borough of Tower Hamlets	6	13	32	41	8	22	122	73%	77%
London Borough of Waltham Forest	3	11	37	43	6	21	121	78%	77%
London Borough of Wandsworth	3	11	27	25	3	15	84	83%	77%
Luton Borough Council	3	2	18	22	2	9	56	82%	72%
Maidstone Borough Council	1	2	3	11	0	6	23	100%	59%
Maldon District Council	0	0	7	7	1	0	15	0%	59%
Malvern Hills District Council	0	1	2	3	1	1	8	50%	59%
Manchester City Council	6	4	37	60	14	22	143	61%	77%
Mansfield District Council	0	1	4	3	0	1	9	100%	59%
Medway Council	3	2	20	33	3	14	75	82%	72%
Melton Borough Council	0	2	1	2	0	0	5		59%
Mendip District Council	0	0	7	12	1	1	21	50%	59%
Mid Devon District Council	1	1	3	6	0	1	12	100%	59%
Mid Suffolk District Council	0	2	7	4	0	2	15	100%	59%
Mid Sussex District Council	0	0	2	6	4	1	13	20%	59%
Middlesbrough Borough Council	0	1	8	25	3	8	45	73%	72%
Milton Keynes Council	2	2	27	21	5	16	73	76%	72%
Mole Valley District Council	0	0	2	9	0	1	12	100%	59%
New Forest District Council	0	1	1	6	2	2	12	50%	59%
New Forest National Park Authority	1	0	0	0	0	0	1		0%
Newark & Sherwood District Council	0	0	3	6	0	0	9		59%
Newcastle upon Tyne City Council	3	4	19	19	3	7	55	70%	77%
Newcastle-under-Lyme Borough Council	3	0	2	5	1	2	13	67%	59%
Norfolk County Council	2	1	19	52	12	18	104	60%	80%
North Devon District Council	2	1	3	6	1	2	15	67%	59%
North East Combined Authority	0	0	0	2	0	0	2		
North East Derbyshire District Council	1	0	3	3	1	2	10	67%	59%
North East Lincolnshire Council	0	0	6	8	1	7	22	88%	72%
North Hertfordshire District Council	0	1	2	6	2	8	19	80%	59%
North Kesteven District Council	0	0	2	1	0	0	3		59%
North Lincolnshire Council	1	0	8	9	1	2	21	67%	72%
North Norfolk District Council	1	0	4	10	2	2	19	50%	59%
North Northamptonshire Council	2	2	22	17	5	12	60	71%	72%
North of Tyne Combined Authority	0	0	0	0	0	0	0		
North Somerset Council	4	0	12	23	5	6	50	55%	72%
North Tyneside Metropolitan Borough Council	2	0	10	12	1	10	35	91%	77%
North Warwickshire Borough Council	0	0	3	3	1	2	9	67%	59%
North West Leicestershire District Council	0	3	3	3	2	2	13	50%	59%
North York Moors National Park Authority	0	0	0	0	0	0	0		0%
North Yorkshire County Council	6	2	15	24	8	29	84	78%	80%
Northumberland County Council	2	5	18	38	3	16	82	84%	72%
Northumberland National Park Authority	0	0	0	0	0	0	0		0%
Norwich City Council	2	9	8	8	1	2	30	67%	59%
Nottingham City Council	2	4	23	24	1	8	62	89%	72%
Nottinghamshire County Council	6	3	14	33	5	21	82	81%	80%
Nuneaton & Bedworth Borough Council	2	1	6	19	3	3	34	50%	59%
Oadby & Wigston Borough Council	0	0	1	1	0	1	3	100%	59%
Oldham Metropolitan Borough Council	4	2	23	18	4	2	53	33%	77%
Oxford City Council	0	0	3	4	0	2	9	100%	59%
Oxfordshire County Council	2	0	41	22	3	30	98	91%	80%
Peak District National Park Authority	0	0	0	1	2	0	3	0%	0%
Pendle Borough Council	0	0	6	4	0	1	11	100%	59%
Peterborough City Council	0	0	6	11	3	6	26	67%	72%
Plymouth City Council	4	1	12	33	7	14	71	67%	72%
Portsmouth City Council	0	2	15	15	7	6	45	46%	72%
Preston City Council	0	0	6	2	2	2	12	50%	59%
Reading Borough Council	2	3	13	26	6	16	66	73%	72%
Redcar & Cleveland Council	3	0	7	7	0	11	28	100%	72%
Redditch Borough Council	0	1	5	8	0	1	15	100%	59%
Reigate & Banstead Borough Council	0	0	7	6	1	3	17	75%	59%
Ribble Valley Borough Council	0	0	5	4	0	1	10	100%	59%
Richmondshire District Council	0	0	1	2	0	0	3		59%

Rochdale Metropolitan Borough Council	1	0	26	20	5	3	55	38%	77%
Rochford District Council	0	0	4	3	0	0	7		59%
Rossendale Borough Council	0	0	1	4	1	0	6	0%	59%
Rother District Council	0	0	3	12	0	1	16	100%	59%
Rotherham Metropolitan Borough Council	5	3	15	14	1	6	44	86%	77%
Royal Borough of Greenwich	1	7	23	41	12	26	110	68%	77%
Royal Borough of Kensington & Chelsea	2	4	16	23	4	20	69	83%	77%
Royal Borough of Kingston upon Thames	3	3	11	25	3	7	52	70%	77%
Royal Borough of Windsor and Maidenhead Council	2	2	15	15	7	13	54	65%	72%
Rugby Borough Council	2	1	2	5	1	1	12	50%	59%
Runnymede Borough Council	1	1	2	3	0	3	10	100%	59%
Rushcliffe Borough Council	0	0	2	6	1	1	10	50%	59%
Rushmoor Borough Council	0	0	3	4	1	0	8	0%	59%
Rutland County Council	0	0	2	5	1	3	11	75%	72%
Ryedale District Council	0	0	0	2	1	1	4	50%	59%
Salford City Council	3	4	29	31	2	7	76	78%	77%
Sandwell Metropolitan Borough Council	4	8	46	28	4	17	107	81%	77%
Scarborough Borough Council	0	0	3	13	0	0	16		59%
Sedgemoor District Council	1	1	1	4	2	0	9	0%	59%
Sefton Metropolitan Borough Council	5	3	16	25	2	10	61	83%	77%
Selby District Council	0	1	2	6	0	0	9		59%
Sevenoaks District Council	1	0	0	10	2	1	14	33%	59%
Sheffield City Council	9	13	41	46	7	19	135	73%	77%
Shropshire Council	2	1	18	20	4	16	61	80%	72%
Slough Borough Council	4	6	25	24	2	11	72	85%	72%
Soilhill Metropolitan Borough Council	1	3	13	12	6	7	42	54%	77%
Somerset County Council	7	1	24	21	4	25	82	86%	80%
Somerset West and Taunton Council	2	4	9	12	2	4	33	67%	59%
South Cambridgeshire District Council	3	1	7	8	1	5	25	83%	59%
South Derbyshire District Council	0	0	1	4	1	1	7	50%	59%
South Downs National Park Authority	0	0	0	2	0	0	2		0%
South Gloucestershire Council	1	0	20	22	2	2	47	50%	72%
South Hams District Council	0	1	6	9	0	0	16		59%
South Holland District Council	1	0	1	9	2	2	15	50%	59%
South Kesteven District Council	0	0	4	7	2	1	14	33%	59%
South Lakeland District Council	1	0	2	10	3	0	16	0%	59%
South Norfolk District Council	1	0	5	4	1	2	13	67%	59%
South Oxfordshire District Council	0	0	0	8	2	1	11	33%	59%
South Ribble Borough Council	1	0	3	4	0	0	8		59%
South Somerset District Council	1	0	3	6	1	0	11	0%	59%
South Staffordshire District Council	0	0	4	2	1	0	7	0%	59%
South Tyneside Metropolitan Borough Council	2	3	13	15	2	4	39	67%	77%
South Yorkshire Mayoral Combined Authority	0	0	0	0	0	0	0		
Southampton City Council	3	3	17	23	7	11	64	61%	72%
Southend-on-Sea City Council	5	1	23	10	1	6	46	86%	72%
Spelthorne Borough Council	0	0	3	6	0	0	9		59%
St Albans City Council	0	1	3	6	1	5	16	83%	59%
St Helens Metropolitan Borough Council	3	1	18	20	3	8	53	73%	77%
Stafford Borough Council	1	0	3	5	2	0	11	0%	59%
Staffordshire County Council	8	2	24	34	8	41	117	84%	80%
Staffordshire Moorlands District Council	0	0	1	1	1	0	3	0%	59%
Stevenage Borough Council	0	4	7	12	1	2	26	67%	59%
Stockport Metropolitan Borough Council	1	2	22	32	3	19	79	86%	77%
Stockton-on-Tees Borough Council	1	0	13	13	3	7	37	70%	72%
Stoke-on-Trent City Council	3	3	21	26	7	15	75	68%	72%
Stratford-on-Avon District Council	0	0	1	4	5	1	11	17%	59%
Stroud District Council	0	0	5	7	1	1	14	50%	59%
Suffolk County Council	3	2	27	48	13	62	155	83%	80%
Sunderland City Council	2	2	15	26	4	4	53	50%	77%
Surrey County Council	8	3	46	55	13	68	193	84%	80%
Surrey Heath Borough Council	0	0	4	9	1	2	16	67%	59%
Swale Borough Council	0	0	2	8	0	1	11	100%	59%
Swindon Borough Council	5	2	18	24	6	8	63	57%	72%
Tameside Metropolitan Borough Council	1	1	14	30	4	15	65	79%	77%
Tamworth Borough Council	1	2	3	3	0	2	11	100%	59%
Tandridge District Council	0	0	3	7	0	3	13	100%	59%
Tees Valley Combined Authority	0	0	0	1	0	0	1		
Teignbridge District Council	0	0	3	6	1	2	12	67%	59%
Telford & Wrekin Council	0	1	3	14	5	4	27	44%	72%
Tendring District Council	2	3	9	8	1	2	25	67%	59%
Test Valley Borough Council	0	0	2	6	1	1	10	50%	59%
Tewkesbury Borough Council	1	0	2	2	0	1	6	100%	59%
Thanet District Council	0	0	14	14	1	12	41	92%	59%
Three Rivers District Council	2	0	2	7	0	2	13	100%	59%
Thurrock Council	1	3	12	25	4	18	63	82%	72%
Tonbridge and Malling Borough Council	2	0	0	2	1	3	8	75%	59%
Torbay Council	4	0	21	26	6	17	74	74%	72%
Torridge District Council	1	0	4	2	0	0	7		59%
Trafford Council	4	4	17	21	7	14	67	67%	77%
Transport for London	11	1	229	113	5	21	380	81%	79%
Tunbridge Wells Borough Council	0	0	2	6	0	3	11	100%	59%
Uttlesford District Council	0	1	3	2	0	2	8	100%	59%
Vale of White Horse District Council	0	0	1	11	1	1	14	50%	59%
Wakefield City Council	6	5	13	20	4	10	58	71%	77%

Walsall Metropolitan Borough Council	1	0	20	19	2	12	54	86%	77%
Warrington Council	0	0	10	10	1	8	29	89%	72%
Warwick District Council	1	0	7	5	2	1	16	33%	59%
Warwickshire County Council	2	5	17	24	4	11	63	73%	80%
Watford Borough Council	0	0	2	8	0	3	13	100%	59%
Waverley Borough Council	2	0	2	13	1	6	24	86%	59%
Wealden District Council	0	2	6	10	0	1	19	100%	59%
Welwyn Hatfield Borough Council	1	5	4	9	1	7	27	88%	59%
West Berkshire Council	0	0	7	12	0	4	23	100%	72%
West Devon Borough Council	0	0	0	7	0	1	8	100%	59%
West Lancashire Borough Council	0	1	7	9	0	1	18	100%	59%
West Lindsey District Council	1	0	2	8	2	1	14	33%	59%
West Midlands Combined Authority	0	0	0	1	0	0	1		
West Northamptonshire Council	5	1	21	34	6	29	96	83%	72%
West of England Combined Authority	0	0	0	0	0	0	0		
West Oxfordshire District Council	0	1	5	5	1	1	13	50%	59%
West Suffolk Council	1	0	2	9	1	1	14	50%	59%
West Sussex County Council	2	1	30	49	6	24	112	80%	80%
West Yorkshire Combined Authority	1	1	0	1	0	0	3		
Westminster City Council	2	13	26	36	6	28	111	82%	77%
Wigan Metropolitan Borough Council	4	5	15	31	3	12	70	80%	77%
Wiltshire Council	4	3	13	45	13	18	96	58%	72%
Winchester City Council	1	1	1	7	2	0	12	0%	59%
Wirral Metropolitan Borough Council	6	0	27	44	2	27	106	93%	77%
Woking Borough Council	2	0	3	6	0	0	11		59%
Wokingham Borough Council	1	0	13	22	3	10	49	77%	72%
Worcester City Council	2	0	4	5	0	2	13	100%	59%
Worcestershire County Council	5	1	13	29	2	22	72	92%	80%
Worthing Borough Council	0	0	1	7	3	3	14	50%	59%
Wychavon District Council	0	0	3	7	2	1	13	33%	59%
Wyre Borough Council	0	0	0	0	0	2	2	100%	59%
Wyre Forest District Council	0	0	7	1	1	0	9	0%	59%
Yorkshire Dales National Park Authority	0	0	0	0	0	0	0		0%
Totals	644	752	4345	6014	1055	3035	15845	74%	

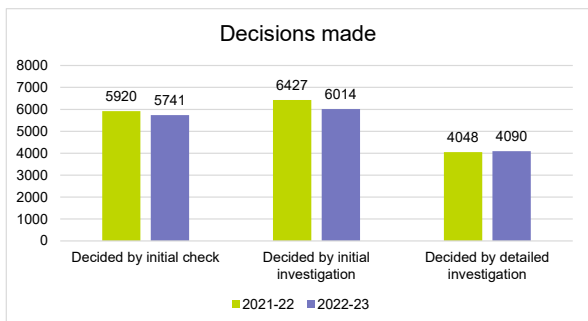
Notes

These statistics include all complaints and enquiries that were decided from 01 April 2022 to 31 March 2023.

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'.

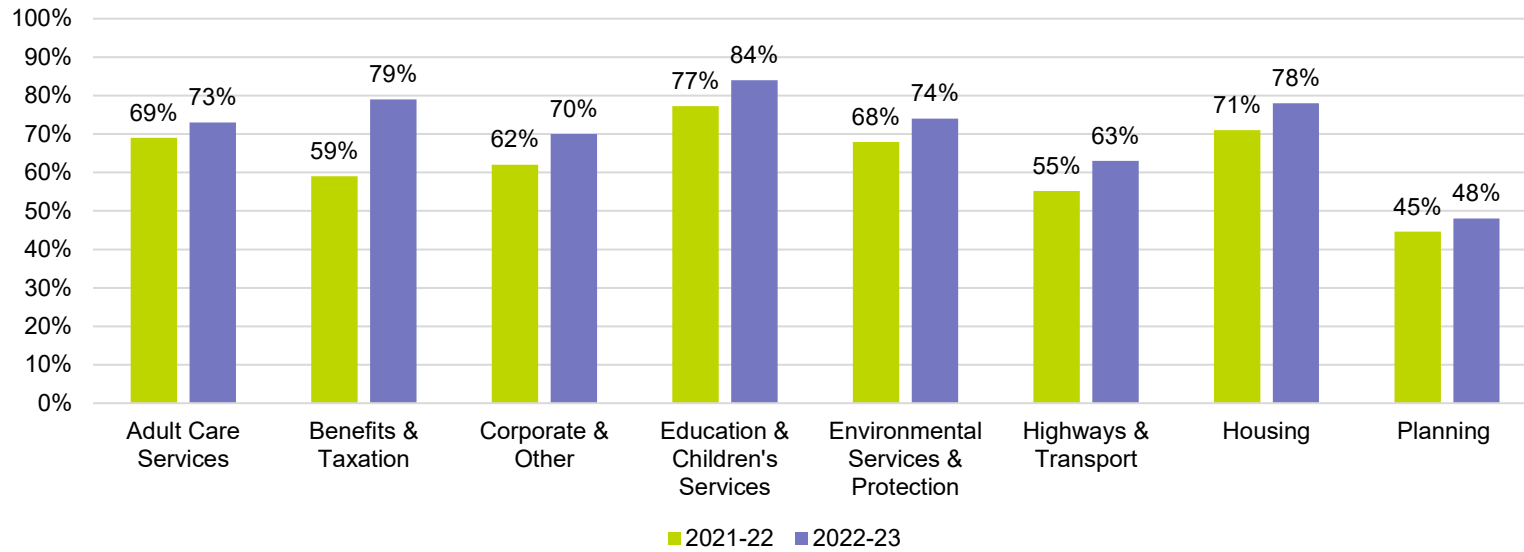
Detailed investigation

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



19 July 2023

By email

Mr Peacock
Chief Executive
Bristol City Council

Dear Mr Peacock

Annual Review letter 2022-23

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 2023. The information offers valuable insight about your organisation's approach to complaints. As always, I would encourage you to consider it as part of your corporate governance processes. 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.

The end of the reporting year, saw the retirement of Michael King, drawing his tenure as Local Government Ombudsman to a close. I was delighted to be appointed to the role of Interim Ombudsman in April and look forward to working with you and colleagues across the local government sector in the coming months. I will be building on the strong foundations already in place and will continue to focus on promoting improvement through our work.

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.

Over the past two years, we have reviewed our processes to ensure we do the most we can with the resources we have. One outcome is that we are more selective about the complaints we look at in detail, prioritising where it is in the public interest to investigate. While providing a more sustainable way for us to work, it has meant that changes in uphold rates this year are not solely down to the nature of the cases coming to us. We are less likely to carry out investigations on 'borderline' issues, so we are naturally finding a higher proportion of fault overall.

Our average uphold rate for all investigations has increased this year and you may find that your organisation's uphold rate is higher than previous years. This means that comparing uphold rates with previous years carries a note of caution. Therefore, I recommend comparing this statistic with

that of similar organisations, rather than previous years, to better understand your organisation's performance.

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 were satisfied 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 26 July 2023. 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

I welcome that your Council agreed to, and implemented, the recommendations we made in 23 cases during the year. However, it is disappointing that in five of those cases recommendations were not completed within agreed timescales. Some recommendations, like payments to complainants, should be quick to administer, so it is disappointing that the Council was late in doing so. Other recommendations were more complex and some involved changes to policies and procedures. In one case the Council was late by ten months in completing a recommendation to ensure the provision in a young person's Education, Health and Care plan.

While I acknowledge the pressures councils are under, such delays can add to the injustice already suffered by complainants or others. I invite the Council to consider how it might reduce delays in complying with agreed recommendations and to ensure it tells us promptly when it completes a remedy. I hope to see improved performance in the year ahead.

Supporting complaint and service improvement

I know that complaints offer organisations a rich source of intelligence and insight that has the potential to be transformational. These insights can indicate a problem with a specific area of service delivery or, more broadly, provide a perspective on an organisation's culture and ability to learn. To realise the potential complaints have to support service improvements, organisations need to have the fundamentals of complaint handling in place. To support you to do so, we have continued our work with the Housing Ombudsman Service to develop a joint complaint handling code that will provide a standard for organisations to work to. We will consult on the code and its implications prior to launch and will be in touch with further details.

In addition, our successful training programme includes practical interactive workshops that help participants develop their complaint handling skills. We can also offer tailored support and bespoke training to target specific issues your organisation might have identified. We delivered

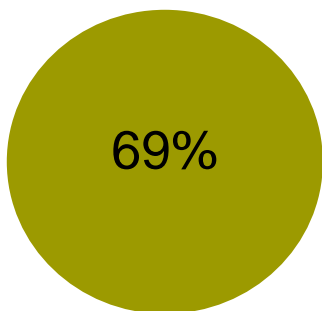
105 online workshops during the year, reaching more than 1350 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Yours sincerely,



Paul Najsarek
Interim Local Government and Social Care Ombudsman
Interim Chair, Commission for Local Administration in England

Complaints upheld



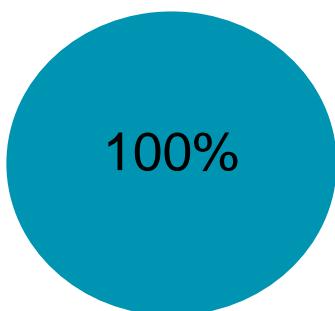
69% of complaints we investigated were upheld.

This compares to an average of **72%** in similar organisations.

31
upheld decisions

Statistics are based on a total of **45** investigations for the period between 1 April 2022 to 31 March 2023

Compliance with Ombudsman recommendations



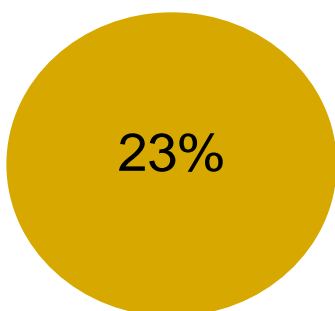
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

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

Statistics are based on a total of **23** compliance outcomes for the period between 1 April 2022 to 31 March 2023

- 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 **13%** in similar organisations.

7
satisfactory remedy decisions

Statistics are based on a total of **31** upheld decisions for the period between 1 April 2022 to 31 March 2023



Audit Committee

Monday 25 September 2023

Report of:	Tim Borrett, Director: Policy, Strategy and Digital
Title:	Digital Transformation Programme and Digital Transformation Governance updates
Ward:	Citywide
Member Presenting Report:	N/A

Recommendation

Note the report and the continuing progress on the Digital Transformation Programme (DTP) and its benefits tracking.

Summary

In July 2022, Cabinet approved the Bristol City Council Digital Transformation Programme. This provided further investment to address key IT risks and continue towards a modernised simple, stable and secure digital environment which is resilient for the future. This report updates Audit Committee on its progress as part of the Committee's role receiving assurance on the council's major transformation programmes. The overall Programme is RAG-rated Green and aims to increase its financial benefits compared to what was anticipated when its Full Business Case was approved.

In January 2023, Audit Committee received a report on the root causes of Limited Assurance in audits related to IT and digital, and the steps planned to address these. Whilst this is separate to the Digital Transformation Programme, this report also takes the opportunity to update the Committee on these actions.

The significant issues in the report are:

- Of its approved £17.99m budget envelope it has spent £6.77m as of August 2023, and this will increase at pace as key projects approach their delivery stage.
- Of the 13 projects which comprised the programme at the time of its Cabinet approval, seven are complete and six are in-flight. The programme is operating within its approved time and budget contingencies, although some specific projects within it have exceeded tolerances and have been re-profiled. Typically, this has related to time contingency rather than financial.
- The programme aims to achieve financial benefits now worth circa £1m by the time the programme reaches maturity in FY2025-26, compared to circa £0.3m anticipated when the programme was approved. This may change again as projects proceed through delivery stages.

Digital Transformation Programme status

- As of August 2023, the overall Digital Transformation Programme is RAG-rated as Green. Of its approved £17.99m budget envelope it has spent £6.77m to date, and this will increase at pace as key projects approach their delivery stage. The programme aims to achieve financial benefits now worth circa £1m by the time the programme reaches maturity in FY2025-26, compared to circa £0.3m anticipated when the programme was approved. The increase in expected savings results largely from cost avoidance of circa £0.6m through the re-tender of the council’s Networks provision. The programme further provides a range of non-financial benefits as shown in Appendix A1. Of the 13 projects which comprised the programme at the time of its Cabinet approval, seven are complete and six are in-flight. The programme is operating within its approved time and budget contingencies, although some specific projects within it have exceeded tolerances and have been re-profiled. Typically, this has related to time contingency rather than financial.

DTP Background: Business Case & Governance

- The programme is structured to focus on delivery of three core elements:
 - ‘Contract Savings’
 - ‘Must do’ or ‘Essential Renewal’
 - ‘Enabler for Transformation’
- In totality the programme was approved and allocated the expected one-off costs of £17.99m. The July 2022 report stated the overall net savings expected were to be circa £0.3m from 2025/26, as most of its financial benefits need to be reinvested to fund the programme and the ongoing costs of adopting modern technologies, such as increased telephony and networks costs, which were ‘must do’ projects that would otherwise have become a pressure on the council’s existing budget.
- It should be noted that this programme looks to achieve a specific set of projects and objectives. The programme will by no means complete the digital transformation journey that BCC and all organisations face. Continual improvement and investment in technology is required to avoid the build-up of ‘technical debt’ which has been problematic for the council in recent years and necessitated larger, more costly programmes of improvement work.
- The Programme is overseen by a Board, the purpose of which is to support the effective delivery of the Digital Transformation Programme projects. The current programme board structure is shown in [Appendix A1](#). Minor changes in membership have been approved by the Board during the year, reflecting changes to personnel and roles within the council.

6. Projects within DTP:

Project Title	Brief Description	Status at Aug 2023
Transformation Business Case (FBC)	Programme setup and planning (establishing DTP)	Complete
Windows 10 Rollout	Complete the deployment of Windows 10 devices across the organisation.	Complete
ID Management (PowerShell)	Changes to the Joiners / Movers / Leavers process – integration between the HR and ICT systems.	Closed – completed in part (Leavers and technical foundation for Joiners / Movers)
S&G Drive Migration	Moving user data off the on-premises data storage hardware into Cloud storage (primarily the council’s main document management system; SharePoint)	In Progress
Website Re-platform	Move the external BCC website onto a more stable and reliable software.	Complete

Telephony Replacement	Replace telephony software and ensuring it is Payment Card Industry (PCI) compliant	In Progress
Portfolio Management Tooling	Procure and implement software to manage the portfolio of programmes and projects across the organisation	Complete
Digital Strategic Partner Procurement	Procure and embed a Digital Strategic Partner to support BCC realise its digital ambitions and objectives	Complete
Networks Improvement / Replacement	Replace end-of-life networks hardware with new technologies to support greater security and resilience across BCC buildings and schools	In Progress
End User Compute (EUC)	Enhance BCC’s digital security position and leverage Microsoft subscription features.	In Progress
Third Party Contracts (ICT)	Review and negotiate chosen priority ICT department owned contracts with external supplier for annual savings including the council’s Mobile Phone provider.	Complete
Channel Shift	Deliver more (and improved) functions for citizens to complete transactions online, and support the Contact Centre to make operational savings whilst improving customer experience.	In Progress
eDiscovery for Subject Access Requests	Leverage existing Microsoft subscription tools to improve information searches for Subject Access Requests.	Closed – completed in part (Implemented on MS platforms; not cost effective to implement for social care systems)
Cloud Migration	Reduction of on-premises servers and storage, reducing the need for data centre facilities within council offices	In Progress
Brought under DTP Governance at later date:		
Business Continuity and Disaster Recovery	Review the contingency plans and recovery process in the event that services were unavailable.	Completed in part – On Hold
Hybrid Meeting Tech and AV (subject to Cabinet approval, late 2023)	Replace aging technology in the Council Chamber and Conference Hall, and implement technology to assist with new ways of working and accessibility	In Progress

7. DTP Key Achievements – at a glance

- i. Digital Strategic Partner (Fujitsu) now on board: ability to increase volume and pace of IT delivery capacity, and reduced time in commissioning new IT projects.
- ii. Windows 10 device deployment complete: Improved end user experience including reliability, productivity, cyber-security and collaboration. The old Windows 7 laptops that this project replaced were refurbished and distributed by the BCC ‘Employment, Skills and Learning’ service alongside Bristol Waste to support further education and help improve job prospects within local communities: this ‘Digital Inclusion Scheme’ has provided 2,512 laptops to date and continues to deliver around 100 laptops per month.
- iii. Core Telephony solution implemented and live: Increased operational stability and reliability of contact centre solution as first step towards the in-progress Payment Card Industry Data Security Standard (PCI DSS) solution.
- iv. PPPM Tool implemented and live: Greater efficiency in programme and project delivery.
- v. Multiple third party contracts closed or retendered.

- vi. External website now on stable platform, reducing of number of unplanned website outages from up to 3 per annum to zero since move to platform.
- vii. e-Discovery Tool configured for Microsoft products (such as Outlook and SharePoint) resulting in improved opportunity to find sources of relevant information for Subject Access Requests, reducing manual effort and potentially reducing the number of follow up or clarification requests.
- viii. Networks hardware contract awarded to FourNet for Fortinet products. The tender significantly reduced the originally expected one-off implementation costs by circa £412k (including contingency) and projected ongoing costs by an average of circa £600k per year over the next five-year period. This cost avoidance should enable greater cashable savings to be generated by DTP as a collective in coming years, as savings originally earmarked to help contain the addition cost of a new network may instead be possible to release as cashable savings, provided projects deliver their benefits and are delivered on budget.

8. DTP Key Challenges overcome/lessons learned:

- i. Soon after the Digital Transformation Programme was approved the organisation implemented a ‘Recruitment Freeze’ in part to reduce operating costs. This left a number of projects with vacant positions causing delays until a process was established for dispensation. Projects with agreed funding were later able to attain exception.
- ii. Organisational need to reduce ongoing/operational spend resulting in a restructure within ICT. The restructure has had an anticipated impact on available resources to assist with projects; projects have realigned expectations and/or their resourcing plans.
- iii. The procurement of the Digital Strategic Partner (DSP) has been successful, however the period of embedding and establishing ways of working was not accounted for when planning the Projects that the partner would be assigned to. This resulted in the Cloud Migration project and Channel Shift project starting later than originally planned. A lead-in process and collaboration with the DSP is now better understood for DTP projects, and learnings have been used for other strategic partner procurements across the organisation.
- iv. The eDiscovery tool was unable to be configured for third party applications including that used for Adult Social Care. This was due to there being no interfaces (APIs) available at the time to facilitate an integration through to the eDiscovery tool which would ensure that all required information associated with a subject access request could be surfaced from Adults Social Care systems. A possible workaround would have resulted in high implementation and ongoing costs (costs would have outweighed the efficiency benefits gained).

9. Key Challenges the Programme is facing now:

i. S&G Drive Migration:

The project requires the deletion of old and unused files, the clean-up of folder structure and file names. This can only be performed by the services across the organisation and so requires their support to perform this.

The migration itself is a challenge due to the size of the data, the number of services involved, and the complexity of file types. For context, close to 50m files are stored on S&G. No single solution is possible therefore an approach for a fully ICT/project supported migration has been

agreed; this will require DTP funding to be redirected to support. The timeline will also be significantly longer.

ii. **Email Security:**

The Microsoft services available to BCC include an email security product which is being evaluated against the existing product (ProofPoint) as a means to reduce operating costs. Selection after evaluation will require senior support and consideration of risk based on the performance of the alternative toolset.

iii. **Channel Shift:**

The aims of the Channel Shift project are to reduce operating costs and increase customer experience. There are multiple ways in which the savings can be made; the project is therefore performing proof-of-concepts to establish a multi-pronged approach to the challenge.

iv. **Telephony and PCI compliance:**

The Telephony product implemented must be enhanced to provide greater security and compliance to the Payment Card Industry standards: The project is uncovering a greater number of services across the organisation of which take card payments by phone than anticipated, and must ensure they are technologically compliant. This requires additional discovery work and may mean process redesign is needed for some or all of the services in question. This will require support from their service management and may increase project cost, but compliance is not optional.

DTP Financial spend (one-off costs within the £17.99m approval)

10. The Actual Spend (including committed spend) of the Programme was **£6,764,968** as of 02 August 2023. Some projects are in their early stages and have yet to have earmarked funding formally allocated. The rate of spend is behind what was expected at FBC approval (July 2022). This was caused by the Digital Strategic Partner being mobilised later than originally expected resulting in a later start of the Channel Shift and Cloud Migration project, and the Networks project re-tender delaying the (now reduced) hardware spend.
11. The forecasted minimum total programme spend is **£14,507,111**, excluding contingency. This only includes spending within the allocated programme budget. It does not include spend on projects under DTP governance with alternative funding sources. There is currently only one project in this cohort: Hybrid Meeting Tech and AV.
12. The organisation has informed the Programme Sponsor of potential shortfalls in available funding from Flexible Use of Capital Receipts. There has therefore been a request to reprofile and reduce spend where possible and reduce DTP's funding requirements within this financial year where possible. The programme is working with Finance colleagues towards releasing specific funding sources from closed projects, projects with reduced scope / reduced forecasts, and contingency where a risk-based decision can be made to do so. This may introduce additional financial risk in future should funding be released but later needed as contingency funding.

DTP Financial Benefits – Net position and change since July 2022

13. The Average Net Programme Savings over MTFP lifetime as per FBC in July 2022 were £337k. The Average Net Programme Savings over MTFP lifetime as per August 2023: Preliminary calculations show £1.03m. This is an improvement of £636k.
14. The net average return increase is largely as a result of the Networks Replacement project following a successful tender, with lower one-off and ongoing costs. This is aided both by technology decisions made within DTP and by the council's plans to reduce its office estate.

15. Some net savings have been realised now; however, these are not material and are being used (as planned) to cover the programme’s own costs. Improved maturity of savings come from financial year 2025/2026 at the point in which all DTP projects should have completed and any additional net benefit can be realised. Until this time the projected cashable savings should be treated as subject to change.

DTP Non-financial Benefits

16. Non-financial benefits are being tracked within the programme and are aligned with the stages of the projects. A summary of benefits for closed projects can be found in [Appendix A1](#) with greater detail in [Appendix A2](#). The most significant non-financial benefits have been noted in section above, “Key Achievements – at a glance”, including the capabilities of which the Digital Strategic Partner offers the organisation, and greater stability of the telephony solution ensuring that citizen calls are not interrupted by technical faults.

Digital Transformation Governance

17. Outside of the Digital Transformation Programme, a number of governance and assurance issues have been raised in previous audits of IT and digital activity. A report on this issue, its root causes and action plan was brought to Audit Committee in January 2023.
18. That report noted actions which would be likely to take 18 months from April 2023 to complete, and were subject to a number of enablers being successfully completed.
19. These were:
 - i. Successfully appointing our Digital Strategic Partner
 - ii. Successfully appointing a Head of Digital Strategy and Transformation
 - iii. Consulting upon and successfully implementing (including any recruitment to) the revised Digital Transformation service structure
20. By way of update on these enablers:
 - i. Fujitsu were successfully appointed as Digital Strategic Partner and this was implemented between February and early May 2023. The contract is now fully operational.
 - ii. A new Head of Digital Strategy and Transformation, Polly Thompson, joined the council in April 2023.
 - iii. A restructure of all services within the former Digital Transformation division has been completed, including the formation of new teams and roles related to contracts, procurement, policy, practice and accessibility. It is anticipated that all recruitment and on-boarding to remaining vacant roles (20 FTE) will be complete by the end of October 2023.
21. A fuller update on action progress can be provided as a discrete agenda item in future as this would be a detailed update worthy of its own agenda item. By way of highlight reporting:
 - i. Mapping exercises of the IT/Digital policy and strategy framework and the council’s IT-related contracts (including those hosted outside of the central IT service) have been completed. This was essential foundational work for promised reviews, and these are now underway.
 - ii. A table-top review of governance was completed by the Digital Strategic Partner, and a fuller review will be undertaken during Q3/4 23/24.
 - iii. An independent holistic review of cyber-security posture is planned and is likely to be procured during October 2023, with a view to providing a high-level summary to inform risk assessment and future roadmap planning for cyber-security, business continuity and disaster recovery activities.
22. Across the past audits highlighted to the Committee in January 2023, there were 100 management

actions agreed. To date, 39 are implemented with audit assurance and a further 26 are implemented with management assurance. Of those remaining, 17 are in progress, 15 are superseded (for example because systems they refer to have since been replaced or removed), and three are showing no material progress. These will be unblocked by the planned cyber-security review and policy work flowing from it.

Consultation

1. Internal

- SIRO (Senior Information Risk Owner) [Director: Legal and Democratic Services]
- Head of IT Operations
- Head of Digital Strategy and Transformation
- Digital Transformation Programme Manager
- Cabinet Member - Finance, Governance, Property and Culture

2. External

Not applicable

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Digital Transformation change and governance update ([Audit Committee – January 2023](#))

Digital Transformation Programme – combined programme ([approved at July 2022 Cabinet](#))

Digital Strategy 2022-27 – ([approved at June 2022 Cabinet](#))

Digital Plans and Strategic Partner – ([approved at April 2022 Cabinet](#))

Digital Transformation Programme – 1st tranche of work ([approved at Cabinet September 2021](#))

Network & Telephony Contract extension ([approved at Cabinet July 2021](#))

Audit Committee

25 September 2023



Report of: Director: Legal and Democratic Services

Title: Update regarding Governance changes relating to the councils wholly owned companies.
- September 2023

Ward: N/A

Officer Presenting Report: Director: Legal and Democratic Services

Contact Telephone Number: 0117 90 37765

Recommendation

That Committee Members note the summary of Governance changes being led by the Shareholder to the way Bristol City Council manages its interests in its wholly owned companies.

In particular, to note, that this year, the committee will receive two reports from the separate Bristol Waste Company, and Goram Homes 'Audit and Risk Assurance Committee's now that the Bristol Holding Ltd Group 'Audit and Risk Committee' has been disbanded.

Summary

Since 2018, the council has managed its interests in its companies via a holding company governance structure, by which Bristol Holding Ltd as parent company of the group, reporting to the Shareholder Representative on a weekly basis and provides support and assurance to the council's advisory Shareholder Group on a quarterly basis.

In response to the now smaller Bristol Holding Ltd group, and recent governance reviews, changes have been made to the way that BCC manages its relationships with this companies Goram Homes Limited (Goram Homes) and Bristol Waste Company Limited (Bristol Waste).

1. Background

- 1.1 Since 2015, Bristol City Council has been the shareholder of several companies so that it can expand and commercialise services and invest the profits back into the city.
- 1.2 The role of Shareholder is carried out by the Mayor or delegated to a Cabinet member, supported by an advisory group known as the Shareholder Group.
- 1.3 The council directly owns Bristol Holding Limited (the Holding Company), which is the parent company of two trading companies:
 - Bristol Waste Company Ltd.
 - Goram Homes Ltd.
- 1.4 The council as shareholder sets the strategic direction for each company and approves certain material decisions, called 'reserved matters', for each company.
- 1.5 By owning these companies, the council makes sure:
 - a high standard of services is provided to all citizens
 - a commercial approach is taken which secures value for money and optimises all available resources
 - there is effective governance and transparency
 - ethical standards are embedded, ensuring the well-being and protection of the work force in the companies
- 1.6 In November 2021, BCC Audit Committee received an update on a series of actions in train to in respond to recent Governance reviews, in the following report:

"Update regarding management actions in relation to Grant Thornton and Shareholder Governance Review Recommendations – Audit Committee Report, 23 November 2021" available at <https://democracy.bristol.gov.uk/mgChooseDocPack.aspx?ID=10299>

2. Summary of Governance Changes which have taken place 2021 and 2022

Development of the role of 'Strategic Client' and increased information sharing between client and shareholder functions within the council.

- 2.1 There is now a greater level of input from the Clients providing advice to the Shareholder group, and a clear understanding, shared by all parties that the strategic objectives for each company are set by the Strategic Client. The role is exercised by the Director of Growth and Regeneration with support from the relevant Service Directors responsible for the operational waste, FM and housing delivery operational clients.
- 2.2 This has improved effectiveness of communication between the companies and council and increased collective capacity for solving problems collaboratively.

Bristol Holding Ltd (Shareholder assurance focus), and the Strategic Client (Company/council strategic alignment focus) come together in new forum called the 'Companies assurance meeting.'

2.3 This multidisciplinary group meets prior to the Shareholder group to review quarterly performance reports, and business plans, and a group risk assessment produced by the Bristol Holding Ltd. FD to provide 360-degree view of company health. In establishing this forum, the meeting pulse (flow of meetings) has been reviewed and optimised.

Changes to the size and role of Bristol Holding Ltd.

2.4 In line with the recommendation of the '2021 Shareholder Governance Review', in autumn 2022, and summer 2023, the position regarding whether Bristol Holding Ltd. (BHL) should be wound down in entirety to a shell, was reviewed in light of the reduced size of the group following the successful transfer of Bristol Heat Networks Ltd. into the City Leap arrangements.

2.5 It was concluded by the Shareholder representative and the Chief officers that it was necessary and desirable to retain BHL to provide assurance to the BCC as Shareholder in a leaner and more agile form for the time being, subject to regular and ongoing review.

2.6 The following functions previously undertaken by BHL have been either transferred to BCC's shareholder liaison team or to the companies themselves.

- Management of the Group Audit and Risk Committee and Group Remuneration Committee – disbanded and separate 'Audit and Risk Assurance Committees' and 'Remuneration committees' have been set up under the Goram and BWC boards.

Committee members are asked to note that from 2023, the BCC Audit Committee will receive two reports from the separate Bristol Waste Company, and Goram Homes 'Audit and Risk Assurance Committee's now that the Bristol Holding Ltd Group 'Audit and Risk Committee' has been disbanded.

- Management of the 'Reserved Matter decision' process – Transferred to BCC
- Provision of group Company Secretarial services – Transferred to BCC/Subsidiary companies

2.7 The 'leaner' BHL retains responsibility for:

- Providing business and commercial assurance in relation to the health of the companies to the Shareholder and Strategic Client, eg. regarding business plans, performance and financial reports
- Overseeing the transition all functions and reporting from a group ARC to subsidiaries 'Audit and Risk Assurance Committees'
- Maintaining a group risk register and reporting on risk to BCC
- Overseeing the accounts consolidation process
- Overseeing the ongoing liquidation process in relation to BE 2020
- Management of the BHL entity and other group financial administration matters

2.8 Taken together this has meant that since November 2021, the size of the BHL has reduced from a board of four Directors, and approximately 4 FTE staff members) to a board of two, consisting of the Independent Non-Executive Chair, Alex Wiseman and the Council nominated director, (Cllr Marley Bennett), plus one 0.6FTE Interim Group Finance Director, Chris Smith.

2.9 At this stage, it has been decided that there will be no further move towards completely winding BHL down to a shell, this side of BCC's transition to the committee system, for the following reasons:

- The BWC and Goram homes ARAC's, have made strong starts, but have not yet reached full maturity, and will do so at different rates, so in the interest of caution, the Shareholder Group wish to monitor the development of these committees, and commission an external review of the arrangements before BCC removes BHL's assurance role in its entirety.
- There is a need for further detailed consideration as to how the remaining BHL functions will be delivered in the event of the company becoming a shell, eg. either via client functions, shareholder liaison or other multidisciplinary groups of officers, acknowledging that BCC Finance is a 'lean' function at present and unable to take on all responsibilities.
- There are still some potential benefits of retaining the flexibility of an agile BHL, so that BCC has the option to commission assurance services/commercial expertise with respect to other commercial ventures.
- Guided by an estimate provided by the external reviewer of the Group Audit and Risk Committee that the ARAC's will take 18-24 months to reach maturity, BCC intends to return to the question of the role of BHL in 2024.

3. Update on Grant Thornton Recommendations from VfM report January 2021 and September 2021

- 3.1 Appendix A and B contains the final update on all Grant Thornton recommendations from their January 2021 and September 2021 reports on company governance which were undertaken following the sale of Bristol Energy Ltd.
- 3.2 The governance reviews have resulted in a variety of changes to the way which BCC governs its companies, in particular strengthening decision protocols, improving record keeping and management of exempt information, keeping councillors informed, and more clearly defining roles and responsibilities.
- 3.3 Agreeing the current position of role of Bristol Holding Ltd. and the bedding in of the role of the Strategic client have allowed all but one of the final outstanding actions to be closed, which is substantially complete and expected to be closed in the next 6-8 weeks.
- 3.4 It should be noted that:
 - Final reporting on the financial position following the BE 2020 liquidation is still subject to finalisation and will continue to be reported to councillors, but due to the long tail of this action it is recommended that this is closed now.
 - All governing documents and guidance produced is kept under constant review to ensure it remains fit for purpose and will be subject to further amendment to reflect changes in the council's governance system, see below.

4. Planning for the introduction of a council wide committee system of governance in 2024.

- 4.1 Consideration of the impact of the committee system on the exercise of Shareholder (Executive) functions, and the company's governance structure as a whole is taking place through the 'Committee Model Working Group' (CMWG) which meets monthly.
- 4.2 At this stage, it is expected that the impact of introduction of the committee system on the

company governance structure will be limited to:

- A change in the way that the 'Shareholder Representative' role in the council is managed.
- A change to the way in which 'key' and 'non-key' decisions are made in respect of the companies.
- A change in key personnel and attendees of the Shareholder group

4.3 It is expected that other aspects of the governance structure including company board and committee structure, role of BHL and council appointed directors will be unchanged at least initially.

5. Recommendations

5.1 That Committee Members note the update provided, and that the committee will receive two reports from the separate Bristol Waste Company, and Goram Homes 'Audit and Risk Assurance Committee's moving forwards.

6. Appendices:

A. Shareholder Liaison Governance Tracker (Recently closed actions)

B. Shareholder Liaison Governance Tracker (Previously closed actions)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

1. Update regarding management actions in relation to Grant Thornton and Shareholder Governance Review Recommendations – Audit Committee Report, 23 November 2021

<https://democracy.bristol.gov.uk/mgChooseDocPack.aspx?ID=10299>

RECENTLY UPDATED ACTIONS

Recommendation	Management Action	Deadline	Responsible Officer	Update to Audit Committee 23/11/21	Update to Audit Committee 11/09/23	
5	The Council should update the articles of association and shareholder agreement to reflect the strengthened role of Bristol Holding Limited. The terms of reference for all elements and functions of the governance structure should be in place and updated.	A Governance Review has already been commissioned to help inform the update of the articles of association and shareholders' agreement, to take into account Bristol Holding's role. This was placed on hold subject to the completion of this Value for Money review and can now be progressed. The Terms of Reference for the Shareholder Group will be updated as part of this review. A series of guidance notes are being devised to illustrate the governance structure and the workings of the governance arrangements for inclusion in the company's handbook.	Oct-21	Director: Legal & Democratic Services	<p>The Governance Review was completed in Summer 2021 and the decision has been taken to retain Bristol Holding in substantively its current form until the outcome of the City Leap procurement is known, at which time the position will be reviewed again to ensure proportionate governance arrangements are in place.</p> <p>A 'Group Collaboration Note' is being drafted to clearly set out the roles and responsibilities within the Group and will be agreed by the end of December and the articles of association and shareholders' agreement will be reviewed to take into account any amendments required.</p> <p>The Terms of Reference for Shareholder Group were revised and approved on 11 March 2021.</p> <p>A number of Guidance Notes have been agreed for inclusion in the Company Handbook, including on the reserved matter decision making process and the business planning process.</p>	Complete - As of May 2023 it has been determined that the Holding Company Group structure will remain in place for the foreseeable future, but remain under regular review. It has been identified that the Shareholder Agreement and Articles in their current form are substantially accurate with respect to the agreed role and function of Bristol Holding Ltd, and in the process, a broader set of general 'housekeeping' changes have been identified which will make the articles and shareholder agreements clearer. These additional amendments are currently in the process of being agreed with the Company Boards before the documents are formally adopted. The Shareholder Group TOR and Companies Assurance Meeting TOR are updated and agreed. The Companies handbook has been updated in line with the changes to the role of Bristol Holding.
6	The Council should agree and consider if the client function role is appropriate for each of its companies and document the role and responsibilities for those companies where it is agreed.	We acknowledge that it was a challenge for the council to act as a client function due to commercial energy retail being outside of the council's core services, increasing reliance on the use of external advisers. We note that this is not an issue in terms of the council's other companies. A Governance Review has already been commissioned to consider the client function, and how it can be strengthened to ensure that roles and responsibilities are clear across the Group and the Council. We have already included the 'strategic client' within Shareholder Group to ensure that the Shareholder Representative has additional appropriate strategic advice relating to each company when taking decisions at the Shareholder Group meetings. We will consider introducing a similar arrangement to support the weekly Companies update provided at the Cabinet Member Briefings.	Oct-21	Chief Executive	<p>The Governance Review was completed in Summer 2021 and recommended that the Strategic Client role be strengthened. This is now underway by the introduction of quarterly meetings between the Strategic Client and the companies. The Strategic Client has been attending Cabinet Member Briefings since February 2021.</p> <p>The roles and responsibilities of the Strategic Client, and the wider client function, will be clearly set out in the Group Collaboration Note.</p> <p>The City Leap client function is being considered by the City Leap Project Board and a steering group including relevant Heads of Service, and specialist support is being obtained to develop an effective client structure. This will take into account the assumption that Bristol Heat Networks Limited will transfer to City Leap.</p> <p>See also the status update against Recommendation 5.</p>	Complete - The Council has reviewed, with the support of Internal Audit the Client functions of the trading companies, and concluded that the role is appropriate for each of its companies. The role and responsibilities of the Strategic Client and operational clients and key governance forums are set out in the Companies Handbook.

Grant Thornton Follow Up Report, September 2021

Recommendation	Management Action	Deadline	Responsible Officer	Status Update to Audit committee - 23/11/2021	Update as of 30th August 2023 (taken to SHG on 4th September 2023)	
1	The Council should consider communicating to the public the full cost of operating and winding down Bristol Energy.	Liquidation remains an evolving process and as such confirmed final costs are not available and could not be communicated. However, reactive media relations have been transparent about this, with a January 2021 media statement from the Mayor including: "These accounts do not give the final financial picture but do demonstrate that our lost investment in Bristol Energy remains within the financial envelope of £37.7m approved by Cabinet in April 2019. A further £7.3m of risk reserves to cover indemnities was set aside at the same time, and how much of this will be drawn upon cannot be confirmed until our accounts for 2020/21 are appropriately audited and filed next year." We will consider the appropriate mechanism for communicating the direct financial cost to the public once liquidation is complete (this will not include speculative opportunity costs such as Council staff time), and the audited accounts for the relevant year will detail the final position.	Subject to completion of the liquidation process	Director: Policy, Strategy and Partnerships	<p>Members Voluntary liquidation is in progress; however, this work is expected to take up to a further 18 months. The overall costs of the liquidation look likely to be in line with those outlined in the GT2 report, although this cannot be confirmed until the liquidation process is complete.</p>	<p>To be closed</p> <p>The Members Voluntary liquidation process is still progressing, the final industry reconciliations have a long tail; and the final position cannot be confirmed until this process is complete. Liquidation of BE2020 Ltd is currently expected in Nov 24 and it is still anticipated that the overall position will be contained within the figures previously outlined by the Council and stated in the Grant Thornton report.</p> <p>Suggest given the long tail of this action that it is agreed with GT that this can be closed down.</p>

2	<p>In order to support key decisions relating to significant projects the Council should ensure an options appraisal that is fit for purpose is completed prior to completing a business plan.</p>	<p>The Council has a culture of continuous improvement and will seek to strengthen option appraisal techniques to support evidenced based decision making. Providing a framework or protocol for Officers (incorporated within the Companies handbook and financial protocols published on the Source), that can be consistently applied in ensuring that where required the identification and appraisal of options, is undertaken as objectively as it can be.</p> <p>This will ensure that Officers look at the different ways of achieving the changes and outputs required, pros and cons of each (financial and non financial) and clear rationale for determining the option which best meets the requirements and ensures value for money (VFM) is secured prior to completing a business plan.</p> <p>The resulting business plan should provide a clear audit trail of how the preferred option has been reached and that it works best financially for the Council and for best meeting the aspirations and needs of the community.</p>	31-Mar-22	Director: Finance	<p>Work has commenced within Finance and the Shareholder Liaison service to define the scope and reach of this piece of work. Action ongoing.</p>	<p>Partially Complete - An options appraisal guidance note has been produced which will be provided to all officers looking to draft business plans for commercial ventures, as well as the Legal, Finance or other professional advisors who will be responsible for including advice on decision making reports. The guidance note reinforces government best practise with respect to the drafting of business cases and options appraisals and the 2022 CIPFA good practise guidance in relation to the Local Authority Companies. Due for upload to source in autumn 2023 following sign off. The guidance note will be made available in draft form to officers who require it in the meantime.</p>
3	<p>Where the Council is working with external advisors on complex projects it should better document its response against all recommendations made.</p>	<p>Guidance and training for officers will be prepared to ensure that due regard is had to all recommendations proposed by external advisors on complex projects. The advice and any recommendations proposed by external advisors will be clearly presented to decision makers, and the preferred approach being recommended by officers will be clearly set out and this will be emphasised in the guidance and training for the Companies handbook.</p>	31-Mar-22	Director: Legal & Democratic Services	<p>Work has commenced within the Shareholder Liaison service to define the scope and reach of this piece of work. Action ongoing.</p>	<p>Complete - The options appraisal guidance note (see recommendation 2) states that where the Council is working with external advisors on complex projects it should have due regard to, and document its response against all recommendations made.</p>

PREVIOUSLY CLOSED ACTIONS

Recommendation	Management Action	Deadline	Responsible Of Update to Audit Committee 23/11/21	Status - 23/11/2021		
1	<p>Discussions and decisions made within exempt committee meetings should be recorded.</p>	<p>It has not been custom and practice in Bristol to take minutes at the part of a Committee or Cabinet meeting dealing with sensitive or commercially confidential issues, but we have clearly stated when a meeting or part of a meeting will be closed to the public to enable confidential issues or exempt papers to be considered and the resulting decision (Cabinet) is recorded and published. We acknowledge that in looking back when the exemption no longer applies this appears to be a gap in our governance arrangements and lacks public transparency and as such propose to revise this approach within the Council for the future.</p> <p>We will put in place procedures to ensure that exempt committee and Cabinet meetings are minuted appropriately and signed off at the subsequent meeting as a true record and publish the decision taken in the exempt session.</p>	Feb-21	Director: Legal & Democratic Services	<p>We have put in place procedures to ensure that exempt committee and Cabinet meetings are minuted appropriately and signed off at the subsequent meeting as a true record and the decision taken in the exempt session is published. All relevant colleagues have been briefed on the new arrangements and management are monitoring implementation. The Working Group: To Oversee Agreed Management Actions (established pursuant to a motion passed by Full Council in February 2021) (Working Group) recommended that a policy setting out the approach to exempt information be produced, and this is being taken forward.</p>	Complete
2	<p>Public reports should be consistent with the issues and concerns raised within exempt papers. The exempt papers should only provide confidential information which cannot be discussed within the public sessions.</p>	<p>Whilst seeking to balance public transparency and as the only shareholder the responsibility for the protection of shareholder value, we had previously identified the need for additional information to be incorporated within the presentation of the council-owned companies' business plans. Content considered exempt for commercial reasons have been incorporated within the exempt business plans and continue to be significantly improved. We have worked closely with the companies over the last 12 months to ensure that exempt information is presented effectively and only includes information which cannot be discussed in public sessions.</p> <p>We will continue to improve the reports to ensure that exempt information is presented effectively, with appropriate redactions to ensure consistency in the information reported and that only information which cannot be discussed in public sessions is excluded.</p>	Ongoing	Director: Legal & Democratic Services	<p>We have reviewed our processes and receive ongoing professional advice from BCC Legal Services round the structure and content of exempt papers in Cabinet Report.</p> <p>In respect of Cabinet Reports relating to the companies specifically, the Cabinet Report in respect of the 21/22 Business Plans contained minimal exempt information (largely relating to costs/profit, land value, or commercial know-how). No public information was repeated in the exempt appendices. In contrast to previous years, the vast majority of the BCC Finance Comment was public. Clear cross-references to the exempt appendices were included in the body of each business plan for ease of reference and cover pages were included within the exempt appendices, where necessary, to illustrate what part of the business plan the content related to. The exempt appendices were clearly referenced in the main Cabinet Report, so that Councillors and the public were aware of the nature of the information that was exempt.</p> <p>The Cabinet Member's introductory remarks to the Cabinet Report on the Business Plans confirmed that changes requested by Shareholder Group had been incorporated and provided clarifications on a non-material change to the Bristol Holding Business Plan that had occurred since the council had received the final version, for full transparency.</p> <p>A Guidance Note on the management of exempt information and the business planning process have been agreed for inclusion in the Company Handbook to reflect this approach and the Shareholder Liaison Service has developed template text and guidance for use in future Cabinet Reports relating to the companies to ensure a consistent approach is taken each year.</p>	Complete

3	Cabinet reports relating to Bristol Holding Limited's companies which include exempt information should be improved. Exempt papers, should clearly identify and quantify the risks and advice provided by the Shareholder Group and any relevant independent advisors as well as the clear views of Bristol Holding Limited.	<p>We are committed to ensuring a high quality of discussion and decision making and note that exempt sessions of Cabinet invited views from the Shareholder Group and other representatives. We acknowledge that it would be beneficial to also capture these in the written reports. Risk assessments will be included in each Cabinet Report relating to the Council's companies and we will consider with the Shareholder Group how their advice, and that of other advisors and organisations, should be presented to Cabinet.</p> <p>The report template will be strengthened, and training provided where required to improve the quality of the report content and ensure key financial points and risks from the proposal and associated appendices are appropriately summarised in reports.</p> <p>In cases where logistics make it impossible to update written reports prior to publication, any additional views of Shareholder Group will be incorporated into Cabinet Member introductory remarks to ensure they are known to Cabinet.</p>	Apr-21	Director: Legal & Democratic Services	<p>Please refer to status update given in respect of Recommendation 2.</p> <p>The template text and guidance developed by the Shareholder Liaison Service in respect of Cabinet Reports relating to the companies clearly notes the dates on which the Shareholder Group reviewed the Business Plans and includes commentary from Shareholder Group (including views of the Independent Shareholder Advisor), Bristol Holding and the clients in separate appendices.</p> <p>The Working Group recommended that minutes of the Shareholder Group be made available to OSMB members and this is being taken forward.</p>	Complete
4	The Council should ensure Cabinet decisions are based upon more timely and current information.	<p>This finding highlights the governance challenge that was inherent in operating a commercial company in a high-paced, volatile marketplace whilst needing to serve the high levels of scrutiny, transparency and assurance which are required in local government. Consideration will be given to the governance pulse and how this could be streamlined from Shareholder Group to Cabinet, whilst still enabling appropriate Scrutiny and feedback to be considered and where appropriate, reflected in the plans / reports and further written confirmation of endorsement or recommendations obtained. In future, Cabinet Reports will be explicit about the date of the latest Business Plan upon which the report is based.</p> <p>We will also consider holding separate Cabinet meetings for budget and business plans to help ensure sufficient capacity is available for wider discussions should it be required at the point that a decision is taken.</p> <p>Utilising new IT systems available to officers, the version control of reports and appendices will be improved with appropriate report prompts and ensure that during iteration of proposals, the professional commentary of Business Partners is subject to a final review and only signed-off as complete at the end of the process.</p>	Apr-21	Director: Legal & Democratic Services Director: Finance	<p>Please refer to status update given in respect of Recommendation 3.</p> <p>The business planning timetable for 22/23 is being revised so that the Business Plans are considered by Shareholder Group in January, OSMB in February and Cabinet in March. This will ensure effective scrutiny of the plans, which can then be referred to in the Cabinet Report. It will also ensure that the Business Plans are being approved closer to the start of the financial year to which they relate, to ensure the content is relevant, and that there is adequate time on the Cabinet meeting agenda to consider the item (as the Business Plan Cabinet Report will no longer coincide with the Budget Cabinet Report).</p> <p>Version control measures have been strengthened to ensure that professional advisors are reviewing and commenting on the most up to date version of the Cabinet Report and that the date of their commentary is accurately recorded.</p>	Complete
7	Consideration should be given to the role of the Executive Chair of Bristol Holding. This should include if this role is appropriate going forward, and does it ensure independence of the chair and reduce potential conflicts.	<p>The revised Bristol Holding arrangements were intended to be reviewed. The Governance Review has been commissioned and the role of Executive Chair, independence and potential conflicts will be considered as part of the planned review. The Executive Chair post was filled on a fixed term basis in order to facilitate a revised approach if deemed appropriate as a result of this review.</p>	Oct-21	Chief Executive	<p>The Executive Chair will not be renewed at the end of October 2021, in line with one of the Governance Review recommendations. An independent Chair will be appointed and the Group Finance Director will absorb relevant executive functions.</p>	Complete

8	The Council should minimise the potential for conflicts of interest, such as the role of the Executive Chair, elected members and officers. To facilitate this, the Council should develop a conflicts of interest policy to ensure potential conflicts in relation to Council how companies are identified and managed appropriately. This could be incorporated within a company's handbook	The Council has in place procedures for declarations of interests for elected members and officers and proactively considers conflicts of interests on an ongoing basis. A formal Conflicts of Interests Policy is intended to be developed, along with supporting guidance, which will be incorporated into the company handbook which we have been developing. Training for elected members who are directors includes conflicts of interests and this element of the training will be further developed.	Apr-21	Director: Legal & Democratic Services	<p>The Guidance Note on conflicts of interest has been agreed and will be published as part of the Company Handbook. Detailed member induction training was given, which included the topic of conflicts. Following a recommendation from the Working Group, this training included general training made available to all members and advanced training available to members of OSMB, Audit Committee and member directors of company boards. External training is being arranged for all directors of the companies, including member directors, is being arranged for Autumn and will include training on conflicts of interest.</p> <p>Internal and external advice is being sought to in respect of any conflicts of interest that may arise as a result of the duplication of directors within the Group. The company secretaries are responsible for ensuring that any director conflicts are appropriately monitored and managed in accordance with the Companies Act 2006 and each company's articles of association.</p> <p>See also the status update against Recommendation 7.</p>	Complete
9	The Council should develop a mechanism to enable the Audit Committee to be sighted on potential exempt issues within their role and responsibilities and legal duties.	<p>In the Access to Information report presented to the November 2020 Audit Committee, it was acknowledged that the Audit Committee has a responsibility to ensure that key representations to the external auditors as part of the external audit are accurate and complete in line with ISA260 and other standards. The Audit Committee should be able to access such information, including exempt information, that is reasonably necessary for them to discharge this duty. The report also provided the Audit Committee with an overview of the legal framework relating to access to information by Members of the Council, including access to exempt information.</p> <p>We will continue to ensure that Audit Committee have the ability to see exempt information which is reasonably necessary for them to carry out their legal duties.</p>	Ongoing	Director: Legal & Democratic Services	<p>In March, information was provided to the Audit Committee, following discussion with the Chair and independent member of the Audit Committee and external auditors, setting out the types of information that the Audit Committee should receive in order to discharge their functions.</p> <p>A further report / appendix was provided to the Audit Committee in June, providing examples of the types of information that the Audit Committee will receive periodically or can request, in order to discharge their functions.</p> <p>The Working Group recommended that joint briefings for the Chairs of Audit Committee and OSMB on company matters be introduced, and this is being taken forward.</p>	Complete
10	The Council should consider publishing all reserved matter decisions relating to its companies and consideration should be given to how elected members access to confidential information relating to reserved matter decisions could be improved.	<p>Reserved Matter Decisions taken by the Shareholder Representative following receipt of advice from various members of the Shareholder group and officers are not key decisions (which are always taken by Cabinet), but they are nevertheless recorded in a formal Decision Record and tracked on a Decision Register.</p> <p>Consideration will be given to whether an equivalent process to Officer Executive Decisions (which are decisions which do not meet the criteria for a formal key decision to be taken at a Cabinet meeting but are considered important enough to be open to public scrutiny and as such published on the ModernGov website) can be adopted for these Reserved Matter Decisions.</p>	Apr-21	Director: Legal & Democratic Services	Summaries of all Reserved Matter decisions taken since 1 January 2021 have been published on the Council's website (https://www.bristol.gov.uk/how-council-decisions-are-made/reserved-matter-decisions) and will be published on a monthly basis.	Complete

11	Appropriate training should be provided on a regular basis to elected members who are involved in the Council's owned companies, in relation to decision making, scrutiny and the Audit Committee. This should include both sector specific training, roles and responsibilities and potential conflicts of interest.	<p>Training is routinely provided to all elected members who are involved in the Council owned companies and a training programme is currently being developed for elected members involved in the Council owned companies for 2021/22.</p> <p>We will engage with independent external parties such as Centre for Public Scrutiny and CIPFA on the development and design of the training to ensure its suitability for the various roles being performed by elected members in relation to our subsidiaries.</p> <p>Where required, external experts will support the training delivery. All newly elected members will also be given training on the companies as part of their induction process.</p>	Aug-21	Director: Legal & Democratic Services	<p>Member induction training was offered to all members in respect of the companies and an advanced session was offered to members of Audit Committee and OSMB and member directors of the companies, in line with a recommendation from the Working Group.</p> <p>External training is being arranged for all directors of the companies, including member directors, and ongoing support is available to member directors from the Shareholder Liaison Service.</p> <p>Officers are working with the Centre for Public Scrutiny and Governance to ensure a best practice approach to scrutiny post-election.</p>	Complete
12	The Council should improve the risk management arrangements to ensure that all key risks are identified and clearly reported to Cabinet.	<p>Steps have been taken during 2020/21 to strengthen the risk management framework in the Council and across the Council's subsidiaries and continues to be advanced in order to move further towards risk maturity and seamless embedding of risk management. Whilst ensuring its suitability and effectiveness, further consideration is being given to greater alignment with the risk matrix adopted by the Council and its subsidiaries, in terms of scoring, likelihood and impact to facilitate ease of collation and consistency in reporting.</p> <p>We propose that going forward the risk will be incorporated in the reports to Cabinet and where the lack of alignment prevents this, the full details will remain in the Business Plan and the significant risks and potential Council impact will be summarised in the officer comments to the report.</p>	Feb-21	Director: Legal & Democratic Services	<p>The risk management framework for the companies has been strengthened with a risk matrix and group risk register reported to every Shareholder Group. A methodology has been developed to map the risks against our BCC criterion to enable where appropriate a transition into the Corporate Risk Register.</p> <p>The 21/22 Business Plans, include the main risks in each business and the finance commentary in the Cabinet Report seeking approval for the Business Plans, included a summary of the risks in each. A similar approach will be taken in future years.</p> <p>The Group Audit and Risk Committee present an annual statement to the council's Audit Committee and attend the Audit Committee meeting to respond to associated matters in public or exempt that the Committee may wish to discuss.</p>	Complete - to be regularly reviewed
12	The Council should improve the risk management arrangements to ensure that all key risks are identified and clearly reported to Cabinet.	Subsidiary and Investment risks will be disaggregated from the 'long term commercial investments and major projects risk' (CRR1) and separately identified and management actions reported on quarterly within the Corporate Risk Management Reports. This will ensure the continuous overview and monitoring currently being undertaken by the Shareholder Group can be more visible.	2021 Quarter 4 Repot & Ongoing	Director: Finance	<p>See the status update against Recommendation 12.</p> <p>In the Councils Corporate Risk Report, Quarter 3 2020/21, CRR1 - Long Term Commercial Investments and Major projects Capital Investment has been closed and the risk within has been disaggregated.</p> <p>For Subsidiary risk CRR40 - Unplanned Investment in Subsidiary Companies has been created and following the mapping of the Group risk, relevant risks are reported / update periodically.</p>	Complete - to be regularly reviewed



Audit Committee

25th September 2023

Report of: Shareholder Liaison Manager, reporting to Director of Legal and Democratic Services

Title: Bristol City Council Trading Companies Annual Comprehensive Assurance statements

Ward: N/A

Officers Presenting Report: Alex Wiseman, Chair Bristol Holding Ltd.
Chris Smith, Group Finance Director, Bristol Holding Ltd.

Andrew Martyn-Johns, Chair of Goram Homes Audit and Risk Assurance Committee with Chris Arnold, Chief Finance Officer

Phil Mawston, Independent Member of Bristol Waste Company Audit and Risk Assurance Committee with Chris Holme, Finance and Strategy Director.

Recommendation

The Audit Committee notes the annual assurance reports (Comprehensive Assurance Statements) of the Bristol Holding Group Trading companies, comprising Goram Homes Ltd. (GHL), Bristol Waste Company Ltd. (BWC) in addition to a summary report from the Bristol Holding Group Audit and Risk Committee.

Summary

This report combines for Bristol City Council Audit Committee, the reports of the Bristol Holding Group Company Audit and Risk Assurance Committees (Group ARC and subsidiary ARAC's) for the financial year 2022/23. This is an annual report with the aim of providing assurance for BCC's Shareholder function and Audit Committee of overall governance arrangements for the Council's group of wholly owned companies. It should be noted that the BHL Group ARC was disbanded mid-year once functions had transferred to the newly established subsidiary ARAC's for GHL and BWC.

The significant issues in the report are:

These assurance reports (as appended) summarise key areas of review by the ARC/ARAC' including their role in reviewing such matters as risk management and compliance arrangements within the Council's companies and reviews key systems and processes to ensure effective corporate governance arrangements are in place. The Committee's, which comprise experienced independent non-executive directors, and member operate in accordance with the provisions of the UK Code of Corporate Governance.

1. Policy

Goram Homes supports the Homes and Communities theme of the Corporate Strategy, by accelerating homebuilding in the city and increasing the supply of affordable homes and building resilient communities.

Bristol Waste Company aligns with the key theme of Environment and Sustainability by helping the city reduce its consumption of products and transform its relationship with waste, increasing recycling, repair, reuse and sharing of goods.

The Bristol Holding aligns with the theme of Bristol City Council as a Development Organisation, contributing to the priority of Good Governance, and acting as One Council, ensuring that the companies are offering good value for money and adopting more consistent procedures and processes.

Consultation

2. Internal

Not applicable

3. External

Not applicable

Context

4. Please refer to the report as appended.

Proposal

5. Please refer to the report as appended.

Other Options Considered

6. Not applicable

Risk Assessment

7. Please refer to the report as appended.

Summary of Equalities Impact of the Proposed Decision

This is a noting report and as such has no specific equalities implications.

Legal and Resource Implications

Legal

No implications arising from the recommendation.

Financial

(a) Revenue

No implications arising from the recommendation.

(b) Capital

No implications arising from the recommendation.

Land

Not applicable

Personnel

Not applicable

Appendices:

Appendix 1: BHL ARC Summary Report

Appendix 2: Goram Homes Annual Audit & Risk Committee Assurance Report

Appendix 2A: Appendix A – ARC Terms of Reference

Appendix 2B: Appendix B – Annual Assurance Statement 2022 – 2023

Appendix 3: BWC ARAC Comprehensive Assurance Statement

Appendix 3a: Appendix A – Annual ARAC CAS Draft 1

Appendix 3a1: Appendix 1 - BWC AGS statement

Appendix 3a2: Appendix 2 - BWC ARAC TOR

Appendix 3a3 and a4: BWC Appendix 3 and 4 to CAS

Appendix 3a5. BWC ARAC Report Assurance Mapping and Audit Plan

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

1. Bristol City Council Trading Companies Annual Audit and Assurance Report – Audit Committee Report, 26 July 2022

<https://democracy.bristol.gov.uk/documents/s74187/10%20-%20ARC%20Report%20Cover.pdf>

2. Update regarding Governance changes relating to the councils wholly owned companies. – Audit Committee Report, 25 September 2023

[This agenda]

Report Title:		Board/Committee:	
Bristol City Council Trading Companies Annual Audit and Assurance Report		Audit Committee	
Agenda item:	Meeting date: 25/09/2023	Non-confidential	For information
Report author:	Chris Smith Interim Group Finance Director	Author contact details:	E-mail: chris.smith3@bristol.gov.uk

Executive Summary

This is a report of the Bristol Holding Company Audit and Risk Committee (ARC) and outlines for Bristol City Council Audit Committee the work of the ARC for the financial year 2022/23. This is a report with the aim of providing assurance for BCC's Shareholder function and Audit Committee of overall governance arrangements for the Council's group of wholly owned companies. It is important to note that the last meeting of the ARC took place on the 14th February 2023, and its functions have now been transferred to the subsidiary companies' audit, and risk committees ("ARAC's").

The report summarises key areas of review by the ARC, in particular its role in reviewing such matters as risk management and compliance arrangements across the Council's companies as well as the review of key systems and processes to ensure effective corporate governance arrangements are in place. The Committee, which comprised three experienced independent non-executive directors, operated in accordance with the provisions of the UK Code of Corporate Governance.

The report focusses on key areas of independent assurance which the Audit and Risk Committee have reviewed over the last financial year including;

- Risk management arrangements
- Regulatory and environmental compliance arrangements
- Financial statements
- Information governance
- Fraud and corruption
- Internal Audit reviews
- Board Effectiveness

The subsidiary ARAC's were established following an independent review of audit and risk arrangements. As a result, the duties and responsibilities of the Group ARC were transferred to the subsidiary ARAC's during the financial year 2022/23, with the last Group ARC meeting taking place on 14th February 2023. A Bristol Holding ("BHL") representative attends all subsidiary board meetings and subsidiary ARACs in its assurance role in order to support the Bristol City Council as shareholder.

As a result, Bristol Waste ("BWC") and Goram Homes ("GH"), now have primary responsibility for risk reporting, oversight, and assurance within those companies; with each company

having their own Audit and Risk Assurance Committee, and an agreed protocol for risk escalation to the Council.

In the meantime, the Shareholder has asked that appropriate mechanisms be put in place to ensure liaison with appropriate BCC risk owners, so that companies' common risks are reflected in Group and BCC risk registers.

At the Shareholder Group meeting on the 5th of December 2022, it was agreed to continue to monitor the new subsidiary ARAC arrangements in the companies and to action the recommendations in the independent review report. This is allowing the ARAC's to develop their role more fully over the coming months.

The ARAC's are now established in both subsidiary companies, albeit BWC's has been up and running for a longer period. Considerable work has been covered, especially in BWC, since their inception, introducing policies and strengthening controls. There is still considerable ground to cover, where weaknesses in processes have been identified that require improvement to enhance organisational control, governance, risk compliance and financial management arrangements, including the need for strengthened internal audit to ensure appropriate processes and that they are adhered to.

Recommendations

Audit Committee is asked to.

Consider the submission of the Bristol Holding Group Audit and Risk Committee Report and provide observations and comments.

Link to Corporate Objectives

Effective governance, performance, and risk management arrangements.

1. Introduction / Background

- 1.1. The Council determined to re-establish Bristol Holding during 2019 with the aim of overseeing arrangements for the Council's trading companies and ensuring more consistent governance processes of scrutiny and assurance through the company boards and sub committees. Bristol Holding Company is the mechanism by which Bristol City Council oversees the delivery of the company's business plans, providing strategic alignment between the companies, the council, and the wider ambitions of Bristol.
- 1.2. Key aims for the Holding Company include having arrangements that ensure.
 - effective governance, assurance, and regulatory compliance
 - delivery of financial efficiencies across both the council and companies
 - strategic objectives of the council are clearly articulated and delivered
 - that a commercial portfolio approach is taken to the delivery of financial and social returns

- 1.3. It should be noted that all key decisions relating to the companies, such as approval and amendments to business plans, major funding considerations, and appointment of key personnel, can only be made by the Council under reserved matters – and not by the Holding Company.
- 1.4. On inception, the Holding Company determined to establish a group wide Audit and Risk Committee (ARC) to facilitate a more robust and independent approach to corporate governance issues and ensure financial integrity and propriety across the companies. The ARC first met in December 2019 and met on a quarterly basis.
- 1.5. The ARC operated in accordance with the provisions of the UK Corporate Governance Code, and acted independently from the subsidiary companies, providing a key assurance role for the Bristol Holding and subsidiary boards, and the Shareholder, by reviewing and monitoring:
- the integrity of the financial information provided to BHL and Bristol City Council (Shareholder),
 - the Company's and the Group's systems for internal controls and risk management,
 - the internal and external audit process and auditors, and
 - the process for compliance with laws, regulations, and ethical codes of practice.
- 1.6. The Committee comprised three independent non-executive directors chaired by Alex Wiseman, a non-executive director (now chair) of Bristol Holding Ltd. Committee representation was designed to maintain independence from the subsidiaries to ensure robust review and scrutiny, whilst ensuring expertise within each sector. During the year representation was also provided by Charmion Pears, a board member of Bristol Waste Company, who like Alex has considerable experience of being a member of Audit and Risk Assurance Committees elsewhere. Mark Hallett provided significant housing sector and programme management experience.
- 1.7. BCC Audit Committee looked to the ARC to provide a level of assurance that the group of companies are operating in an effective control environment.
- 1.8. In addition to the above, a key role for ARC was to ensure adequacy of arrangements for the management of whistleblowing, fraud and compliance - reviewing the companies' procedures for prevention, detecting and countering fraud, corruption, bribery and money-laundering, ensuring 'in-confidence' arrangements for reporting any wrong-doing, and ensuring proportionate and independent investigations are undertaken with appropriate follow-up.
- 1.9. In November 2021, Bristol City Council Audit Committee considered a report on the management actions in response to the two Grant Thornton reports on the company governance arrangements (*Review of Governance Arrangements for Bristol City Councils Subsidiaries* and *Report concerning the governance arrangements for Bristol Energy*), and the subsequent independent shareholder advisor's Governance Review which reported in June 2021.

- 1.10. A primary recommendation of that latter report was that, following disposal of Bristol Heat Networks Ltd to the successful City Leap bidder, and without clear intent to bring more companies under the Holding Company in the short to medium term, Bristol Holding should be slimmed down and would comprise a minimum compliment of staff. The Bristol Holding Company business plan, as approved by Cabinet in March 2023 was based on that assumption, and that included an independent review of audit and risk arrangements, which was undertaken by Navigo Consulting Ltd, who had also undertaken a separate independent review of each company board’s effectiveness during the last year.
- 1.11. Navigo concluded that, in the context of two primary operating companies (BWC and Goram Homes), primary accountability for these processes should be at the operating company level and we are now in the process of implementing these arrangements whilst ensuring a seamless transition from the Group ARC to subsidiary ARAC’s. Bristol Waste and Goram Homes have developed an annual Comprehensive Assurance Statement (a detailed statement of material internal controls and governance mechanisms) for the Shareholder and this Committee.
- 1.12. The Shareholder has concluded that a mechanism of further assurance will be retained through its Holding Company, for example to review compliance frameworks, comprehensive assurance statements and financial statement and reporting assumptions.

2. Meetings and Attendance

- 2.1. The ARC met three times during 2022/23; June 14, October 12th, and February 14th. Attendance at the meetings was as follows:

BH ARC Meeting	Alex Wiseman	Charmion Peters	Mark Hallett
14 June 2022	Yes	Yes	Yes
12 October 2022	Yes	Yes	Yes
14 February 2023	Yes	Yes	No*

Note: * MH resigned before the meeting

3. Risk and Compliance

- 3.1. A key priority for ARC was to regularly review the adequacy of implementation by each of the companies of the BHL Group Risk Management Strategy and Framework. The strategy and framework form an integral part of the Holdco group’s internal control and corporate governance arrangements. It represents a key line of defence in challenging the adequacy of existing controls and planned mitigations against threats to service delivery in line with agreed business plans and providing assurance to the Shareholder.

- 3.2. Companies have adopted the risk register reporting tool and embedded the identification and reporting of risks (both opportunities and threats) within their regular company board reporting. The risk registers were also presented to each ARC during the year, for independent review and scrutiny on content, adequacy of controls, risk appetite and progress against mitigating actions. Company executives were required to present and respond to reviews and consider recommendations from the ARC to take back to respective boards.
- 3.3. In addition to company entity risk registers, a group risk register was developed, which incorporates all cross-cutting and significant risks that could impact on the wider group, and this is also reviewed by the ARC at each meeting as well as being considered each month by the Holdco Board. This group risk register is still collated by Holdco, and considered by the Shareholder at each shareholder group meeting, and where appropriate, it recommends where risks should be reflected in the Council's risk management arrangements.
- 3.4. Each ARC meeting has also reviewed company compliance matters. These sessions have scrutinised regulatory, health and safety, environmental and information governance requirements and performance, along with reviewing measures to ensure risk of non-compliance is effectively mitigated. These are also reviewed regularly by subsidiary boards.
- 3.5. ARC has also reviewed claims and litigations across the group and an independent review of the adequacy of insurance arrangements across the group. No material gaps or issues were identified in either of the reviews, although it was acknowledged that certain insurance policies were becoming more difficult to procure.

4. Financial Statements

- 4.1 The draft 2021/22 accounts for each company and initial findings from the external auditor (PwC) were reviewed. It was a key role of the ARC to provide assurance that the accounts follow Companies Act requirements, follow proper accounting principles and standards, and provide an accurate reflection of the financial position of each company, both for the respective boards and the Shareholder.
- 4.3 The ARC facilitated the opportunity for, at least annually, candid, private discussion between ARC members and the external auditor, this is now the responsibility of the subsidiary ARAC's. No major concerns were identified as to accounting treatment' reporting of the financial position of each company prior to 21/22 statutory accounts finalisation and filing, or any concerns relating to the executives.

5. Cyber-Security

- 5.1. A key area of review for the ARC during 2021/22 was assurance around the adequacy of cyber-security arrangements, across the companies. For both of these areas internal audit reviews were commissioned (the latter being undertaken by KPMG).
- 5.2 The audit review assessed the effectiveness of the arrangements for information security across the group and to ensure compliance with General Data Protection Regulations. Internal Audit provided a 'reasonable assurance' opinion on the

effectiveness of the Information Security and GDPR Management arrangements across the group of companies. There was clear evidence of good practice policies and procedures being in place, but there were some inconsistencies across the group – and these were addressed as part of the agreed improvement actions.

- 5.3 An annual data protection review was also conducted by the ARC to assure processes are robust and lessons learnt from any breach. This is now the responsibility of the subsidiary ARAC's.
- 5.4 ARC asked internal audit (through its IT audit partner KPMG) to undertake a high-level review of the cyber security controls across the Bristol Group Companies (the Group), focusing on the key technical and non-technical processes operated to mitigate cyber security risks. KPMG provided an overall assessment of 'Limited Assurance.' The audit review noted that the *"Group has established a governance structure whereby information security risk is regularly reported at individual company level and at the group level, to the Audit & Risk Committee. There is a group-wide risk management framework in place that ensures consistency in risk management approach across the Group. However, we noted gaps in documenting information security policies and procedures that can lead to poor awareness and communication of cyber and information security issues."* Several specific company issues were also identified, and all key improvement actions, which fall under the direct responsibility of the companies have been acted upon. Delivery of all improvement actions were reviewed at each meeting of the Group ARC and are now the responsibility of the subsidiary ARAC's.

6. Other Internal Audit Reviews

- 6.1. In the past, Holdco and subsidiaries have worked closely with BCC Internal Audit colleagues to commission a risk-based approach for prioritising for internal audit activity, consistent with organisational goals. Consistent with agreed reporting arrangements, an action tracker was in place to record details of matters arising and agreed management actions in response to all completed audits, including prior year. It is the responsibility of companies to ensure that agreed actions are implemented within agreed timeframes. With the ARC's responsibilities now transferred to the subsidiary ARAC's, the programme of internal audits together with the actions arising now forms part of the ARAC's reports.

7. Board Effectiveness

- 7.1 During the autumn of 2021/22 an independent review of each company's board effectiveness was undertaken. The reviews were undertaken by Navigo consulting, specialists in this type of assessment and other company governance support. The reviews concluded that overall, boards were effective, and that should provide some assurance to the Council as Shareholder, although for BWC there was recognition that this was a board (at the time of the review) in transition, and this was impacting on its effectiveness.
- 7.2 Since conclusion of the review board membership of BWC has changed significantly with a new independent non-executive Chair, a new Chair of ARAC and a new Interim Managing Director and two independent non-executive directors. Considering

these changes, further board effectiveness reviews will be conducted during 2023/24, with consideration given separately in the context of each subsidiary, whether these are independently or internally coordinated.

~ Report End ~

Report Title:		Board/Committee:	
Annual Audit & Risk Committee Assurance Report		Companies Assurance meeting	
Agenda item:	Meeting date: 16/08/23	Non-confidential	For Information
Report author:	Andrew Martyn-Johns ARC Chair	Author contact details:	E: andrewm-j@hotmail.com
Executive Summary			
<p>This is a report of the Goram Homes Audit and Risk Committee (ARC) outlining for GHG Board the work of the ARC for the financial year 2022/23. This is an annual report with the aim of providing assurance for Board and BCC, as ultimate Shareholder, of overall governance arrangements for the company.</p> <p>The report summarises key areas of review by the ARC, in particular its role in reviewing such matters as risk management and compliance arrangements and review of key systems and processes to ensure effective corporate governance arrangements are in place. The Committee, which comprises two independent members one of which is the Chair, operates in accordance with the provisions of the UK Code of Corporate Governance.</p> <p>As the Goram Homes ARC was only established in November 2022, the report identifies work done, along with plans it has put in train for the next financial year.</p> <p>The report focusses on key areas of independent assurance which the Audit and Risk Committees have reviewed since its formation including;</p> <ul style="list-style-type: none"> • Risk management arrangements • Regulatory and environmental compliance arrangements • Financial statements • Information governance • Fraud and corruption • Internal Audit reviews • Board Effectiveness 			
Recommendations			
Shareholder group is asked to.			
1 – Note the annual assurance report of the Goram Homes Limited Audit and Risk Committee			
Link to Corporate Objectives			
<i>Effective governance, performance and risk management arrangements.</i>			

1. Introduction / Background

- 1.1. The Council determined, following a review of Governance effectiveness that Goram Homes Limited (GHL) should have its own ARC, reporting into GHL's Board.
- 1.2. Goram Homes ARC meets in a cycle aligned to meetings of the Board, to whom the ARC reports, usually 5 times per year. Terms of Reference of the ARC are attached as Appendix A to this report. These were approved by the Goram Homes Board at its meeting on 26 April 2023.
- 1.3. The ARC operates in accordance with the provisions of the UK Corporate Governance Code, acting independently from any company, providing a key assurance role for the Goram Homes Board, and the Shareholder, by reviewing and monitoring,
 - the integrity of the financial information provided to Board,
 - the Company's systems for internal controls and risk management,
 - the internal and external audit process and auditors, and
 - the process for compliance with laws, regulations and ethical codes of practice.
- 1.4. The newly established Goram Homes Audit & Risk Committee comprises an independent non-executive director (The Chair – Andrew Martyn-Johns) an independent committee member (Jasbir Singh) and, in attendance, two Directors of Goram Homes Ltd (Stephen Baker – Managing Director and Chris Arnold - Finance Director), designed to ensure robust review and scrutiny.
- 1.5. The Board looks to ARC to provide a level of assurance that the company is operating in an effective control environment.
- 1.6. In addition to the above, a key role for ARC is ensuring adequacy of arrangements for the management of whistleblowing, anti-fraud measures and compliance - reviewing the companies' procedures for prevention, detecting and countering fraud, corruption, bribery and money-laundering, ensuring in confidence arrangements for reporting any wrong-doing, and ensuring proportionate and independent investigations are undertaken with appropriate follow-up.

2. Meetings and Attendance

Goram Homes Ltd ARC has met on 17 November 2022, 24 January 2023, 21 April 2023 and 13 July 2023. Attendees at each meeting (Members and invited attendees) were as shown below.

Committee Date	17 Nov 2023	24 Jan 2023	21 Apr 2023	13 Jul 2023
Members				
Andrew Marlyn-Johns Audit & Risk Committee Chair	✓	✓	✓	✓
Jasbir Sandhu Committee Member	✓	✓	✓	✓
Attendees				
Stephen Baker Managing Director - GHL	✓	✓	✓	✓
Chris Arnold Chief Financial Officer - GHL	✓	✓	✓	✓
Chris Smith Group Finance Director - BHL		✓	✓	✓
Alison Mullis Deputy Chief Internal Auditor - BCC		✓		✓
Simba Muzarurwi Chief Internal Auditor - BCC			✓	✓

In addition, ARC members have attended an induction course, briefings on health and safety arrangements and responsibilities within Goram Homes, meetings with Internal Audit to discuss the work plan for 2023/24, a meeting to discuss and agree changes to the risk management process and the Bristol Holdings ARC meeting in February 2023.

3. Risk and Compliance

- 3.1. A key priority for ARC is to regularly review the adequacy of implementation of our Risk Management Strategy and Framework. The strategy and framework forms an integral part of our internal control and corporate governance arrangements. It represents a key line of defence in challenging the adequacy of existing controls and planned mitigations against threats to service delivery in line with agreed business plans and providing assurance to the Board & Shareholder.
- 3.2. Goram Homes Ltd developed the risk register reporting tool and embedded the identification and reporting of risks (both opportunities and threats) within regular company board reporting throughout 2022/23. The risk registers were also presented to each Group ARC, for independent review and scrutiny on content, adequacy of controls, risk appetite and progress against mitigating actions. Company executives were required to present and respond to reviews and consider recommendations from the Group ARC to take back to respective boards.
- 3.3. Other matters reviewed by both ARCs have included the Health and Safety arrangements which provided assurance that our partners are managing Health & Safety adequately and they are in compliance with construction, design and management (CDM) regulations.

4. Financial Statements and Performance management

- 4.1 GHL ARC has had an initial review of the programme of work designed to map our company objectives through to outcomes and identify relevant KPIs (Key Performance Indicators) and PIs (Performance Indicators), which in turn refines the risk matrix to ensure all risks align to a KPI (or PI)

- 4.2 This exercise was in train at the end of the reporting period and will be fully operational during the financial year 2023/24.
- 4.3 At its 21 April 2023 meeting the ARC considered the external auditors' plans for the audit of the 2022/23 statutory accounts. It is a key role of the ARC to provide assurance that the accounts follow Companies Act requirements, follow proper accounting principles and standards, and provide an accurate reflection of the financial position of each company, both for the respective boards and Shareholder.
- 4.4 At the meeting of 17 July 2023, ARC reviewed the draft financial statements and discussed the audit with the external auditors. The external auditors confirmed that the majority of their audit was complete. The main outstanding area was that of taxation where they were awaiting the final report of E&Y, the group's tax advisors. There was also a discussion of the main areas where judgement had been necessary. These included the need for provision against work in progress where initial costs had been incurred on projects where an LLP agreement had not yet been reached. Where management could not be confident that a project was going to proceed and the costs recovered, a full provision was made.
- 4.5 Our process facilitates the opportunity for candid discussion between ARC members and the external auditor and provides an opportunity to obtain early warning of potential year end accounting and control issues. No major concerns were identified.

5. Information Governance and Cyber-Security

- 5.2 The company confirmed that it was not aware of any breaches of General Data Protection Regulations during the period covered by this report.
- 5.3 The review was also scoped to include residual information security risk
- 5.4 ARC noted that systems used by Goram are cloud based and that the only recommendation from a prior year internal audit of Bristol Waste's IT services (who provide IT support to GHL) is for service users to undergo Cyber Security training. GHL has this training provision arranged for August 2023.

6. Other Internal Audit Reviews

- 6.1. Up to the point of creating GHL ARC internal audit had not conducted any reviews on GHL within the financial year 2022/23
- 6.2. GHL ARC has worked closely with BCC Internal Audit colleagues to commission a risk-based approach for internal audit activity during the financial year 2023/24, consistent with organisational goals. The agreed areas of work and timing is as follows

Goram Homes - Revised.	Timing Agreed at Audit Committee	Est Days	Senior Lead for Scoping and Reporting. Field work contacts (CH to complete)	Proposed Field Work Dates
Business Plan, Risk Assurance and Performance Management - Phase 1	Jul-23	5	Phase 1 is a review of arrangements currently being developed for measuring delivery of objectives in the business plan and mapping to risks and risk assurances.	17th - 21st July
Business Plan, Risk Assurance and Performance Management - Phase 2	Oct-23	5	Phase 2 is a review of whether the company has achieved good performance management arrangements and risk assurance.	2nd Oct - 13th October
Selection of development partners	Jun-23	5	In Progress.	19th - 30th June 2023
Financial Controls	Jul-23	5		24th - 28th July
Management Action Tracking	N/A	1		Every Quarter

7 Fraud and Corruption

- 7.1 Fraud, theft, bribery and corruptions are recognised as business risks, In accordance with our anti-fraud, bribery and corruption policy we keep abreast of fraud risks, emergence of new risk areas, and ensure a strong culture is embedded across the company where fraud, bribery and corruption will not be tolerated.
- 7.2 ARC confirms that company executives reported that they were not aware of any such risk crystallising.

8. Board Effectiveness

- 8.1 During the autumn of 2021/22 an independent review of each company's board effectiveness was undertaken. The reviews were undertaken by Navigo consulting, specialists in this type of assessment and other company governance support. The reviews made a number of recommendations in relation to GHG all of which have been implemented and Shareholder has been advised accordingly.

Index of Appendices:	
Appendix A:	Audit & Risk Committee Terms of Reference
Appendix B	Assurance Statement 2022/23 – BCC format

~ Report End ~

AUDIT & RISK COMMITTEE (ARC) TERMS OF REFERENCE

1. Outcomes

- 1.1. Goram Homes ('the Company') complies with all its legal and regulatory obligations.
- 1.2. Good internal control processes are maintained.
- 1.3. Arrangements are in place to ensure that the Company acts ethically, responsibly and sustainably in all areas of its work and that value for money is also achieved.
- 1.4. Risks to the organisation are understood, and:
 - 1.4.1. managed and mitigated to not impact on operational efficiency or cause loss or damage to the Company's assets; or
 - 1.4.2. where risks cannot be fully mitigated, the impact, losses and damage are minimised.
- 1.5. A culture is encouraged within the Company whereby each individual feels that he or she has a part to play in guarding the probity of the company and is able to take any concerns or worries to the managing director or, in exceptional circumstances, directly to the Chair of the Board and / or the Chair of the Audit & Risk Committee.

2. Purpose

- 2.1. The primary purpose of the Committee is to aid and support the Board in fulfilling its legal, regulatory and fiduciary obligations in respect of matters involving the auditing, internal controls, and risk management of the Company.
- 2.2. The Committee supports the Board by ensuring there are effective processes for the identification and management of risks; assuring the Board that systems, controls and management within the Company are suitable; and overseeing the appointment and work of the external auditors. Where additional assurance is deemed necessary, the Committee may also appoint internal auditors or other specialists and oversee their work.
- 2.3. The Committee will make recommendations to the Board on its risk strategy and policies, and agree actions, as required, to satisfy good governance principles.

3. Delegated authority

- 3.1. The Committee is authorised by the Board of Goram Homes ('the Board') to investigate any activity within its terms of reference. It is also authorised to seek information it requires from employees and all employees are directed to co-operate with any request made by the Committee.
- 3.2. The Committee has authority to obtain legal or other independent professional advice.

4. Specific Responsibilities

4.1. General

- 4.1.1. Receive reports on, and consider, any matter which, exceptionally, is identified by the Board, Managing Director, Finance Director or other Committee as requiring particular review.
- 4.1.2. Review, at least annually, the effectiveness of the Committee, and the Terms of Reference, ensuring that issues identified are appropriately addressed and recommendations made to the Board regarding any proposed changes.
- 4.1.3. Prepare an annual report summarising the work of the committee and the proposed work programme for the coming year which should be presented to the Board annually.
- 4.1.4. The Committee can recommend to the Board as necessary the appointment of outside legal or independent professional advice as it may deem necessary in accordance with 3.2 above.

4.2. Assurance and Risk Management

- 4.2.1. Consider reports on the Company's internal control systems, financial and otherwise, including controls to prevent and detect fraud, manage risk and provide assurance to the Board as appropriate.
- 4.2.2. Consider proposals on the risk framework including reviewing the Board's risk appetite and ensuring this is reflected appropriately in the risk register.
- 4.2.3. Regularly review those risks judged as having high significance for the Company and give specific assurances to the Board on their management.
- 4.2.4. Review and assess the Company's Emergency Procedures and Business Continuity plans that are in place to manage and recover from significant events that might lead to major disruption to the Company's activities and receive reports on how effectively the plans have worked following any particular incidents.
- 4.2.5. Receive regular reports on the crystallization of key risks, identifying the effectiveness of controls and mitigating actions and considering whether any learning points have been identified and whether additional actions are required. This should cover, in particular, reports on health and safety incidents, including all RIDDOR.
- 4.2.6. Receive regular reports on health and safety including the risk management plan and review of health and safety key metrics.

4.3. Regulatory and Legal Compliance

- 4.3.1. Provide the Board with assurance regarding the Company's compliance with:
 - 4.3.1.1. Health & Safety legislation, regulations and good practice guidance; and
 - 4.3.1.2. Company, and other relevant areas of law, related regulation and any relevant associated good practice guidance
- 4.3.2. Receive reports on any identified cases of fraud; other breaches of the law; regulatory requirements and/or the Company's policies and procedures. Consider such reports to give the Board assurance that the matter is satisfactorily investigated and that remedial actions are implemented effectively.
- 4.3.3. The Committee will receive an annual report on the Company's whistle-blowing policy which will include:
 - 4.3.3.1. Review of the terms, and the effective operation of the policy;
 - 4.3.3.2. The number and nature of issues raised by staff under the policy; and
 - 4.3.3.3. A summary of findings of any investigations.

4.4. Data Quality and Security

- 4.4.1. To assure the Board of the Company's compliance with data protection legislation, regulation and the organisation's cyber-security preparations.
- 4.4.2. To receive assurance, at least annually, regarding the terms, and effective operation, of the Company's policies and procedures for Data Protection, including review of the number and nature of issues raised by staff under the policy.

4.5. Audit

In respect of the internal and external auditors the Committee shall:

- 4.5.1. Consider, and make recommendations regarding the tendering, appointment, or dismissal.
- 4.5.2. Consider and make a recommendation to the Board regarding the period and terms of any contract with appointed auditors.
- 4.5.3. Consider and agree recommendations on the remuneration of auditors in line with the Financial Delegations.
- 4.5.4. External Audit
 - 4.5.4.1. Oversee the annual external audit of the Company's report and accounts.
 - 4.5.4.2. Meet annually with the auditor with only members of the Committee in attendance.

- 4.5.4.3. Consider the plan for the conduct of the annual external audit including a review of their independence and objectivity and matters relating to the provision of non-audit services.
- 4.5.4.4. Review plans for and assure the Board of the organisation's timely preparations for the external audit.
- 4.5.4.5. Undertake reviews and receive reports as required to obtain assurance that proper accounting policies have been used and that appropriate judgements and estimates have been made.
- 4.5.4.6. Receive and review the auditor's report on the annual report and accounts, including receipt and review of the findings of external audit and management response. The annual financial statements and Directors' Report will be reviewed in conjunction with the external auditors before submission to the Board, focusing particularly on: any changes in accounting policies or practices; major judgmental areas; significant adjustments resulting from the audit; material misstatements detected by the auditors that individually or in aggregate have not been corrected, and management's explanations as to why they have not been adjusted; the appropriateness of the going concern assumption; the appropriateness of the statement of internal control and compliance with accounting standards and statutory requirements.
- 4.5.4.7. Make recommendations to the Board regarding, the annual report and accounts, and the terms of the letter of representation to the external auditors.
- 4.5.5. Internal Audit
 - 4.5.5.1. Having due regard for the organisation's strategy, the risks facing the organisation and the existing sources of assurance available, consider the need for the appointment of internal auditors. Where internal auditors are appointed:
 - 4.5.5.1.1. Consider and agree proposals for the programme of internal audit work.
 - 4.5.5.1.2. Receive and consider reports from the internal auditor on issues arising from each review conducted, focusing on high and medium issues incorporating management responses, and consider whether the management responses will satisfactorily address the issues raised in the report.
 - 4.5.6. Receive and review assurance regarding the timely discharge of actions arising from internal audit reports and audit findings identified by the external auditor, including receipt of reports on the position regarding high or critical rated issues highlighted by the auditors.

4.6. Policies, Financial Regulations and Delegated authorities

- 4.6.1. The Committee will review a list of the Company's policies and receive assurances that a timely review of the policies has been undertaken, that they comply with legal requirements and are in active use.
- 4.6.2. Annually review the Financial Regulations, including the Schedule of Delegated authorities and make recommendations for their approval to the Board of Directors.
- 4.6.3. Annually review the Schedule of Matters and Decisions reserved for the Board of Directors and make recommendations for their approval to the Board of Directors.

4.7. Insurance

- 4.7.1.1. Review periodically the insurance cover held by the Company ensuring it is appropriate for the Company's needs.
- 4.7.1.2. Approve the purchase of any Directors' and officers' indemnity insurance.
- 4.7.1.3. Review the security of assets including ensuring that an asset register, sufficient for insurance purposes, is in place and regularly reviewed.

4.8. Membership and Attendance

- 4.8.1. The ordinary membership of the Committee comprises not less than two members, including the Committee Chair and any number of independent (co-opted) members as agreed with the Board of Directors.
- 4.8.2. All members appointed to the Committee shall serve for an initial period as specified in their contract (or until they cease to be a Director).
- 4.8.3. Members of the Audit and Risk Committee should, amongst them, have relevant experience of financial audit, risk management and internal control, governance and insurance.
- 4.8.4. The Board appoints the Committee Chair and all members of the Committee. In the absence of the Committee Chair the Board shall elect one of themselves to chair the meeting.
- 4.8.5. The Chair of the Board shall not be a member of the Audit & Risk Committee.
- 4.8.6. Quorum shall be a minimum of two members of the committee. In the event of difficulty in achieving a quorum, Board members who are not members of the Committee may be co-opted as members for individual meetings. Where a meeting of the Committee starts or becomes inquorate, then decisions requiring a quorum will be adjourned to such a time as may be determined by the members present or the Committee.
- 4.8.7. A decision taken outside a Committee meeting is only valid if reasonable notice of the matter to be decided has been given to all members; it is subject to normal quorum rules; the decision is recorded in a single written document signed by two committee members (an email will be treated as a signed written document); and the decision is formally ratified at the next meeting so it appears in the minutes.
- 4.8.8. Attendance of non-members at meetings
 - 4.8.8.1. Standing attendees shall be the Managing Director and the Finance Director or their delegates.
 - 4.8.8.2. The Committee or its Chair may invite to attend the Committee, either generally or in relation to a matter or topic before the Committee, other Directors, other staff members, representatives of the external auditors, or any other external advisers as they deem necessary.
- 4.8.9. Internal and external auditors have a right of direct access to the Chair of the Committee.

4.9. Frequency of meetings

- 4.9.1. The Chair of the Committee determines a rolling programme of ordinary meetings of the Committee which must provide for at least four ordinary meetings in each calendar year.
- 4.9.2. Additional meetings can be called at the request of the Chair of the Committee, or the External Auditors (or internal auditors where appointed).

4.10. Reporting Arrangements

- 4.10.1. Minutes of the Committee to be produced and sent to the Committee Chair within ten working days of a meeting.
- 4.10.2. Minutes will be available to all Board members.
- 4.10.3. The committee Chair will present a report on the key issues they have considered, their implications and any actions or recommendations, to the next ordinary Board meeting.

Revised April 2023 by ARC
 Revised and approved by Board.....

Goram Homes Assurance Statement 2022/23

Completed by:				
Ref	Governance/Control Requirement	Level of Assurance	Briefly provide details of what arrangements are in place that give you this assurance (See Guidance Note 2.4)	Actions Planned/Required Include Responsible Officer and Timescale (See Guidance not 2.5)
1. Integrity, Values and Compliance				
1	<p>Expectations and behaviour standards are set out in a Company Code of Conduct. All staff (F/T, P/T, temporary, agency staff and consultants) employed by the Companies have received a copy.</p> <p>Staff are required to make and have completed a declaration of interest form to identify potential conflicts of interest. Declarations made are passed to management for them to assess the impact and agree action as necessary.</p> <p>Staff are reminded regularly of the requirement to make declarations of interest where circumstances change.</p>	Good	<p>The code of conduct for the non executive directors was adopted at the February board meeting. This code of conduct covers conflicts of interest, declarations of interests so we can ensure they are appropriately managed.</p> <p>This has been used recently when a board member had a conflict. This involved them not receiving board papers and not being present for that agenda item of the board meeting.</p> <p>Staff conduct is managed via the current Employment contract and appended appendices. Procurement and recruitment which would be the principle area where conflicts could occur are covered by established policy.</p>	Staff handbook and staff contracts to be reviewed in the year 2023/24 to ensure they are aligned with current best practice - Lead Managing Director
2	<p>A clear policy is in place regarding acceptance and receipt of Gifts and Hospitality by management and employees of the company. If permitted, this is recorded in a register which is reviewed by management to ensure all received is appropriate.</p> <p>How many declarations are recorded for 2022/23</p>	Good	<p>Gifts & Hospitality policy and Register in operation.</p> <p>8 Entries on the register.</p>	
3	<p>A whistleblowing policy is in place to encourage reporting and processes are established to respond to issues raised effectively.</p> <p>State how many reports have been received clearly indicating number closed.</p>	Good	<p>Whistle blowing policy adopted .</p> <p>No recorded reports.</p>	
4	<p>Arrangements are in place to promote and ensure equality, diversity and inclusion across all aspect of delivering the Company's business.</p>	Good	<p>Clear statements in the business plan 2023.</p> <p>E&D statement adopted.</p>	
5	<p>A Fraud, Bribery and Corruption policy is in place and provides for reporting of fraud and irregularity.</p> <p>All frauds and suspected financial irregularities have been referred for independent investigation and reported to the Audit and Risk Committee.</p>	Good	<p>Fraud & Corruption policy adopted.</p> <p>No instances have been reported or are know of.</p>	
6	<p>Training needs are identified and appropriate training delivered to all staff to ensure they are able to work within company policies, procedures and values and to meet company objectives.</p>	Good	<p>Learning & Development policy adopted.</p> <p>1-2-1 raise training and record gaps as required</p>	
7	<p>Relevant legislation is complied with and mechanisms are in place to review procedures in light of legislative change. Detail any instances of significant legal non compliance.</p>	Good	<p>Limited to H&S law following a review by lawyers.</p> <p>Training given to board during 2022/23</p>	
8	<p>Data protection 2018 and UK GDPR requirements are routinely complied with by the Company</p>	Working Toward	<p>1) Data protection and GDPR policy adopted</p> <p>2) Very low levels of personal data handled, but a review to take place in 2023 of current policies and procedures.</p>	CFO to Review process and procedure during 2023/24.
Defining and Delivering Outcomes				
9	<p>Fully costed business plans are in place that cover all relevant services and which clearly reflect Company objectives. The plans balance commercial, social and environmental aspects of business delivery. Options appraisal is completed. Objectives are clearly communicated to staff and stakeholders are consulted.</p>	Good	<p>Approved by cabinet March 2023</p>	
10	<p>The organisational structure is fully resourced to effectively deliver key priorities of the company.</p>	Working Toward	<p>Organisational structure approved by board and is reviewed regularly with staff updates included in the MD's board reports.</p>	The 2023 staffing structure will be staffed during the year, there are currently posts vacant. These vacant posts are to allow company growth and no current vacancies limit the company in being able to meet the objectives of the business plan.
11	<p>Key Performance Indicators have been established with robust mechanisms and clear responsibility for monitoring each performance indicator. Progress is regularly monitored and reported to senior management, Board and the shareholder as appropriate.</p>	Working Toward	<p>KPI's were drafted within the business plan. These KPIs are reported to both the board and the shareholder. Where there is variation from the target this is reported along with narrative setting out actions being taken to achieve the KPI target.</p> <p>These KPI's are currently under review with the Board and the Shareholder and will not be issued to the April board meeting. The Review of the KPI's will establish an integrated performance management system linking the objects, KPI's and Risks of the company.</p>	MD to complete Performance Management reporting review by end September 2023
12	<p>A complaints procedure is in place and complaints received are monitored and regularly reviewed by Management. Changes necessary are made as a result of complaints received.</p>	Good	<p>Complaints and Compliments policy adopted</p>	

13	Partnership agreements are in place that clearly define the benefits and terms of the partnership, specifying who's rules and procedures are to be followed and regularly reviewed. Provide brief details of partnership arrangements in place.	Good	The Joint ventures are set out in a number of legal documents which are reviewed by both the companies and the Council's advisors. The Council approves these structures under the reserved matters process.	
14	All key projects are managed following options appraisal and commercial considerations. Progress exceptions are escalated.	Good	All key projects are reported to board each meeting. The Council approve all joint venture projects.	
Determining Effective Interventions and Decision Making				
15	A scheme of delegation is in place covering both financial and Human Resource responsibilities. Decisions and approvals are documented.	Good	Delegation of Authority and Matrix adopted	
Managing Risk				
16	Risk Registers are maintained which identify key risks to delivery of objectives and identify actions being taken to manage them. Risk and action owners have been allocated to all key risks to ensure appropriate actions are taken to manage and monitor risks.	Working Toward	The Risk register is currently being fully reviewed by the team, lead by the Finance Director. This will integrate the risks to the KPI's and Objectives. This process will be shared with the Shareholder and reviewed by the Audit and Risk committee	CFO - complete review of risk register and integration with objectives and KPIs by end September 2023
17	Significant risks and issues are escalated to the Board. List any risks that have crystallised during the year.	Good	None	
18	A Health and Safety plan is in place for the company.	Good	Health and Safety Policy statement adopted H&S management system adopted at the April board meeting to compliment the new H&S policy statement.	
19	Business continuity plans are in place covering all critical services and systems. Plans are regularly tested and reviewed as necessary.	Good	Business Continuity plan adopted	Review to be conducted in 2023/24, low priority as very low risk to the business. MD
Financial Management				
20	Company financial and procurement regulations are in place, staff are aware of them and they are being complied with. Provide details of any known breaches during the year and actions taken.	Good	Standing Orders and Procurement policy adopted No breaches in the year	Staff handbook to be updated to ensure new starters are advised of all relevant policies .
21	Quarterly budget forecasts are completed accurately by trained budget managers who are responsible for delivery within their own budget. Monitoring demonstrates good financial performance of the company.	Good	The board review the management accounts at each meeting . Which are prepared and presented by the Finance Director.	
22	A policy is in place to manage the use of Purchase/Credit Cards. Card holders are aware of and are complying with the policy. Provide details of any known breaches during the year and action taken.	Working Toward	Two credit cards in issue. Total credit limit of £10k. Not a material risk. Use of credit cards 2x is monitored as part of the Accounting processes.	
23	Arrangements are in place to ensure the company's financial resilience and delivery of value for money.	Good	The board review the management accounts at each meeting. The board have received no notification that there are any issues relating to financial performance at this time.	
Governance Successes, Assurance and Effective Accountability				
24	Effective Audit Committees are in place to oversee governance, risk and control arrangements. Committee members are independent of Company operations and meet regularly to receive assurances in relation to governance, risk management and internal control arrangements.	Good	Audit & Risk committee formed in 2022/23. The Council and Company recruited the two independent members of the committee	
25	Sufficient independent assurance (Internal Audit/External Audit/Inspectorate Reports) on risk and controls have been received and agreed actions are implemented in timely manner. Provide details of independent assurance reports received during the year . Where there are gaps in assurance please provide details.	Working Toward	External Auditor has been appointed and is leading on matters relating to their appointment. Internal Audit work plan for the year has been agreed now the Audit and Risk committee has been established.	
26	Detail any significant changes in governance that have occurred during the year 2022/23.	Good	none other than above.	
27	Detail significant failures in risk management, governance and internal control within the company that may require reflection the Council's Annual Governance Statement. These might include issues which have: <ul style="list-style-type: none"> • Seriously prejudiced or prevented achievement of a principle objective; • Required a significant diversion of resources; • Had a material impact on the accounts; • Resulted in significant public interest or has seriously damaged reputation; • Resulted in formal actions being taken by the Chief Financial Officer or Monitoring Officer; • Received significant adverse commentary in external inspection reports that has not been able to be addressed in a timely manner; - has demonstrated significant poor value for money (The above is for guidance and not an exhaustive list.)	Good	none	
Sign Off	Completed by: Stephen Baker Designation: Managing Director Date: 21/03/2023 Updated by: Chris Arnold Designation: CFO Date: 08/08/2023			

Report Title:		Board/Committee:	
Comprehensive Assurance Statement		Companies Assurance Group	
Agenda item:	Meeting date: 16/08/2023	Confidential	For information
Report author:	Chris Holme Director of Finance and Strategy	Author contact details:	T: 07961 885170 E: chris.holme@bristol.gov.uk

Executive Summary

Following an independent review of BCC wholly owned companies' audit and risk arrangements, which has led to the inception of BWC Audit and Risk Assurance Committee, a key function of it will be to provide an annual Comprehensive Assurance Statement (CAS), for presentation to the BCC Audit Committee (September 2023).

The CAS is intended to be a detailed statement of material internal controls and governance mechanisms, to provide assurance to the Council, as ultimate shareholder, as to effective governance and regulatory compliance.

The report should focus on key areas of independent assurance, including key areas that the committee will have reviewed over the financial year in question including;

- Risk management arrangements
- Regulatory and environmental compliance arrangements (including outcome of any external assessments)
- Integrity of financial statements (as assessed by external auditors)
- Key financial system controls
- Robustness of budgets and business propositions
- Information governance and data security arrangements
- Fraud and corruption arrangements, including adequacy of whistleblowing procedure
- Outcome of Internal Audit reviews and key improvement actions required
- Board Effectiveness arrangements, and compliance with UK Code of Corporate Governance

It is intended that the report will complement work required for completion of the Council's Annual Governance Statement, which will be appended to the report. It should be noted that everything in the submitted document will go into the public domain, so it is important that the document is truly representative and proportionate.

Please note, this is an initial draft, and following resignation of the former ARAC Chair at the end of July, remaining ARAC members have been asked to review the approach and draft content of the CAS, prior to submission to the Shareholder (Audit Committee). Some further work is required across the report, but particularly in areas such as robustness of budgets and business propositions. Furthermore, as no formal board effectiveness review has been undertaken since 2021 (and hence before significant changes were made to its composition), this is a matter which will require further consideration with the Shareholder.

Recommendations
<i>Companies Assurance Group is asked to 1 – Note the draft content of the Comprehensive Assurance Statement and that it will be finalised after the BWC Board meeting of the 24th August.</i>
Link to Corporate Objectives
<i>Effective governance, performance and risk management arrangements.</i>

1. Report

1.1 As per Exec Summary and Attachments

Index of Appendices:	
Appendix A:	Bristol Waste Company Assurance Report (with Appendices 1 to 4 to Appendix A)

~ Report End ~

ANNUAL REPORT OF THE BWC AUDIT, RISK AND ASSURANCE COMMITTEE (COMPREHENSIVE ASSURANCE STATEMENT)

For the period September 2022 to April 2023

Audit Committee Meeting Date 25th Sept 2023

Background

In line with principles of good governance, the Bristol Waste Company Audit, Risk and Assurance Committee (ARAC) has produced its Annual Report and Comprehensive Assurance Statement for the Council as the ultimate Shareholder of the company. The aim of the report is to:

- Summarise the activities of ARAC for the period under review.
- Highlight any areas of significant risk exposure requiring improvement to enhance the internal control framework.
- Provide ARAC's opinion, based on an honest and objective assessment of the framework of the company's governance, risk management and systems of internal control. This opinion is an integral part of the Bristol Waste Company's (BWC) governance framework, providing assurance to inform the Board, and identifying improvement opportunities.

This report records ARAC's work and identifies key issues arising from its activity from the period September 2022 to April 2023.

Attached as Appendix 1 to this report is BWC's Annual Governance Statement (AGS) self-assessment return, submitted earlier this year as part of the wider Council AGS statement. This self-assessment statement has been formally approved by the ARAC members.

A new Chair of ARAC (and Non-Executive Director) is anticipated to have been appointed by the Shareholder by the time this CAS is presented to Audit Committee.

Formulation, Membership and Terms of Reference

The BWC ARAC had its inaugural meeting on 20 September 2022. Committee members reviewed the proposed Terms of Reference at this meeting and concluded that it was fit for purpose, with no required revisions. Those Terms of Reference are attached as Appendix 2 to this statement.

The membership of the BWC ARAC during the period comprised:

- Charmion Pears (Chair – since inception)
- Andy Jefford (Independent Member – appointed November, first meeting 31 Jan 2023)
- Phil Mawston (Independent Member – since inception)

The Committee met four times during the period Sept 22 – April 23, with meetings scheduled outside what would be a regular cycle. This was driven by timing of 2022/23 report and accounts, management capacity (where meetings were 'split' across two dates) and significant volume of items for consideration. Closed sessions of members were held, as required, to update on matters such as whistleblowing.

In 2023/24 it is expected that the Committee will work to a cycle of four regular meetings – July, September, December, March – with an additional session, if required, for detailed review of Report and Accounts prior to their approval by the Board.

All meetings during 2022/23 were quorate, with at least two members in attendance (three once all appointed). Regular attendees included the Interim Managing Director(s), the Finance and Strategy Director, the SHEQ Director, the Head of ICT and the Bristol Holding Group Finance Director. All meetings also had representation from the Bristol City Council (BCC) Internal Audit Team. In accordance with good practice, ARAC members also met with the company’s external auditor without presence of executive officers. The Chair of ARAC also met independently with the Council’s Chief Internal Auditor.

It should be noted that during the year the Chair and one Independent Member (Phil Mawston) undertook substantial pieces of work on behalf of the board that would not ordinarily sit in the remit of ARAC members. The Chair took responsibility for oversight and co-ordination of whistleblowing investigations (see below). Phil Mawston was separately commissioned outside of his role as an independent member to undertake specific management reviews of Bristol Workplace Services (FM services of cleaning, security and cash-in-transit services transferred to BWC in June 2021) and Commercial Waste functions.

Potential issues of independence/conflicts were considered and managed. In the case of the Independent Member, by way of clear declaration of interests (and abstaining from comment) in relation to agenda items where conflicts may have arisen. In relation to whistleblowing, it was previously assumed that assurance in relation to the process undertaken would go directly to the board. This approach is no longer needed following subsequent resignation of the ARAC Chair, and appointment of a Freedom to Speak Up Guardian at executive level.

During the last financial year there were a number of Bristol Holding Audit and Risk Committee meetings, as prior to September audit, risk and assurance arrangements were managed at group-wide level, and they should be reported on by the Chair of that Committee.

Policies and procedures

Considerable focus was placed on improving the governance arrangements for the company during the period. As part of this the ARAC reviewed, and recommended for board approval, the following policies:

- Freedom to Speak Up (Whistleblowing) Policy and Protocol (substantial revision)
- Expenses Policy (substantial revision)
- Anti-Fraud Policy (introduction)
- Anti-Bribery and Corruption Policy (substantial revision)
- Depreciation Policy (revision)
- Financial Regulations and Controls and revised Scheme of Delegations

Where relevant, these were shared with the Trade Unions, with positive feedback received.

In conjunction with the above a revised Code of Conduct, as recommended to the board by the Company’s Remuneration, Equalities and People Committee (REPCO), was approved and the new policies launched for communication and training. Effective communication and training of new policies and procedures is an area where the ARAC should consider seeking future assurance. Past approaches have been identified as inadequate given the need to communicate and embed complex

issues in a way that is fully understood and acted on across the business. Challenges that are exacerbated given high levels of agency-staff used on a regular basis.

During the period draft a Business Continuity Plan and draft Cyber Incident Response Plan were also presented to the Committee for input and feedback. These will return to the ARAC as final drafts in July. A Draft Driving at Work Policy and Handbook were also reviewed, and ARAC proposed further improvements prior to being recommended to the board for approval.

Risk Management

There was significant focus throughout the period to improve the company's risk management arrangements. To enhance its risk maturity and more fully embed risk management it is important there is greater engagement across the business. Particular focus is required, in the year ahead, with regard to adequacy of mitigating controls.

Positives in the period:

- The board undertook its risk-appetite assessment/review. This was done using a new framework designed to improve the ability to communicate and ensure it is embedded to a greater extent in planning and decision making.
- A clear set of Principal Risks have been defined (in consideration of balanced objectives) and these are the focus for the ARAC and Board.
- Improvements have been made to both the format and detail of the Principal Risk Register (agreed in Q2, 2022), and this facilitates a more informed level of discussion.
- The executive meets on a periodic basis to discuss and consider risk and its impact on the business.

Areas for focus going forward:

- There are varying levels of understanding and/or focus in relation to risk management across the executive/management. Further work is required to build levels of competence across the team.
- In general, identification of risk is done well, but work is required in terms of adequacy of mitigating controls, actions being robustly followed through to ensure those are in place, and that gaps between residual risk and risk appetite are considered. Scoring of risk (current, target - relative to controls in place) was not always reflective of the prevailing state.
- With the broad range of issues that have arisen in relation to governance and internal control, the depth of discussion in relation to risk at ARAC has not been where it should be. A new approach has been agreed where in addition to a review of the register, there will be a more significant dive into two risks at each ARAC.
- The plan is for the Board get the risk summary each month, an ARAC Chair update each quarter and have a six-monthly deep dive into risks, including the full risk register. Further work is required to improve some areas of risk reporting, and this will be a focus for the current financial year.
- An Emerging Risk Review has been on the Forward Plan but rescheduled given other pressing priorities. It is currently on the plan for December 2023.

Compliance

A Compliance Report is tabled at each meeting and covers company adherence with various legal and regulatory requirements. In most areas assurance was gained in relation to compliance, or swift action to appropriately rectify instances of non-compliance.

Areas requiring focus going forward (due to recurrence or lack of positive resolution in the period) are:

Area	Issue
Overweight Vehicles	While no specific enforcement/infringements recorded in the period, there has been ongoing issues with overweight loads. This has been an area of particular focus, particularly at the board. A variety of causes have been highlighted e.g. equipment issues (understanding weight whilst on the round), wet green waste in winter, Christmas recycling (glass particularly). With concerted effort the levels of overweight vehicles have come down significantly from those reported 8-12 months ago but compliance remains a challenge.
Environmental discharge breaches	Incidences recorded have been largely identified/managed by the second line (SHEQ) but with some frequency across the various sites. An Asset Compliance audit is scheduled into the Audit Plan imminently and the proposed focus is environmental compliance. We are currently seeking an appropriate provider as the requirement is for a physical/site-based audit rather than the desktop assessment undertaken by BCC Internal Audit last year.
Persistent Organic Pollutants (POPs)	This is a new area for the company and covered by Regulatory Positioning Statement 266 at this point. segregation and storage of POPS (out of adverse weather) and the disposal of these are required areas of focus going forward. Whilst not a matter of compliance, the economics of POPs for BWC also requires consideration by BCC and the new Commercial Manager.
Redacted - see exempt appendix	[Redacted]
Employee Tribunals	The company has a number of live cases which are being managed by our Director of People (with tribunal experience) and Counsel (MDJ law). It is suggested that, as part of the review of controls in relation to the legal-compliance risk, the ARAC conducts either a deep-dive, or schedules an additional audit, in relation to management of ER cases. BWC are in the process of appointing independent investigators where appropriate, to provide robust assurance.

In September the ARAC agreed that BWC needed a strengthened Compliance Framework. The Register developed to support this will expand the company's existing Legal Register (which covers certain of the SHEQ-related areas) to include all legislation and regulation impacting on the company. Owners will be assigned to ensure that when changes occur, policy/procedural updates and communication are well managed. This remains outstanding because of a necessary reprioritisation of activity. A first draft is on the forward plan for December 2023.

[Redacted]

Assurance arrangements

With the identification of a number of gaps in governance and some weaknesses in internal control made evident to the Board, it was clear that the previous approach in relation to assurance (which produced a largely positive result) needed some change. Assurance arrangements needed to be put in place that could provide a more robust view of the company’s governance, risk management and internal controls.

Progress has been made in this area:

- the move from a group-wide BHL ARC to a single-company ARAC as required by the new board (depth vs. breadth of findings).
- a new Integrated Assurance Planning and Reporting approach was introduced which takes a more holistic view of activity across the 2nd and 3rd lines. This is now providing much greater visibility of 2nd line and non-BCC Internal Audit 3rd line activity and ensures assurance resources available are used more effectively. The integrated assurance summary for the period April 2022 to March 2023 is set out as Appendix 3 to this statement.
- assurance planning is being driven by the business rather than the audit team with business input. For the 2023/24-year planning was based on a detailed assurance mapping exercise. Strategic objectives, risks, mitigating controls are outlined with proposed assurances mapped against those. Once a view of 2nd and 3rd line was formed by BWC, this was subject to input from, and review by, BCC IA. In addition to the 2023/24 year a working draft was tabled for the 2024/25 year.

The ARAC and Board have approved the plan for 2023/24 which has a significant increase in 3rd line assurance testing – both from BCC Internal Audit and other specialist audit firms where required.

As outlined above, a meeting was held between the ARAC Chair and BCC Chief Internal Auditor. A new Service Level Agreement has been finalised that will incorporate KPIs for performance of both teams going forward. In addition to timeliness (in relation to both teams), BWC are requiring a focus on quality of audits and greater visibility at the outset in relation to the composition of the team working on each audit (i.e. the related experience/qualifications of each audit team member and the mix allocated to each audit to ensure quality outputs).

Audit outcomes:

A summary of 2nd and 3rd line activity undertaken in the period and the level of assurance provided is attached as Appendix One.

In relation to 3rd line assurances, positive assurances were gained in the following areas

Area	Findings
ISO Audits	All ISO audits had positive outcomes with re-certifications gained across H&S, Quality, Security, IT secure destruction. A number were completed with no corrective actions required.
EA site visits and HSE spot checks	All resulted in positive feedback, with no significant issues identified.

BCC Waste Client Audits	Undertaken quarterly on a rotation across all areas. In the period included the Hartcliffe site and Villages (ex. toilets).
NSI Security Audits	National Security Inspectorate audit of Security - Silver Award granted. No issues arose.
Near Miss Process	Undertaken by BCC IA. Resulted in a finding of Reasonable Assurance in relation to adherence with policy and process. Cultural Issues were highlighted with low engagement from operatives.
Logistics UK Operators licence	Positive finding (equivalent to reasonable) findings related to oversight of working time, oversight of speeding offences (actions to prevent recurrence), declarations and awareness training.

Areas where audits provided limited assurance and work is underway to rectify control weaknesses:

Area	Findings
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Redacted – see exempt appendix

Close out of Management Actions

During the period there was a focus on closing out not only those actions which came due in the period, but management actions that were overdue. As at the end of the period there were 21 outstanding actions. 4 related to audits that were conducted prior to the end of 2022. Delays to the actions in relation to one audit (the Recruitment, Onboarding and Exit audit) were approved due to the significant restructure of the HR team that happened shortly after the audit. These actions are now nearing completion.

2021/22 Statutory Accounts - External Audit

PWC were the appointed firm to undertake the external audit of the 2021/22 Report and Accounts.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Redacted – see exempt appendix

The audit opinion was qualified in relation to limitation in access to information to verify the completeness, existence and scheme assets from Avon Pension Fund (Local Government Pension Scheme) for which Bristol Waste is an admitted body. This has been an issue for several organisations and not distinct to BWC. It arose as BWC is a participating employer, for those former local government employees with ongoing entitlement for membership, in the Avon Pension Fund, a multi-employer scheme for which assets held are not segregated or separately allocated to the participating employers. The auditors therefore have no access to audit the assets, their specific valuation, or the allocation methodology used by the actuary and therefore cannot obtain sufficient

reliable evidence in support of the BWC pension balance. While in the past PWC would have relied on confirmation notified by the actuary and some basic validation procedures around annual movement, they no longer believe this approach is appropriate.

Other than the possible effects of the specific pensions matter described above, the auditors opinion was that the financial statements:

- Gave a true and fair view of the state of the company’s affairs as at 31st March 2022 and its profits for the year then ended
- Were properly prepared in accordance with UKGAAP standards, and the requirements of the Companies Act 2006

[Redacted text block containing multiple paragraphs of blacked-out content]

Redacted – see exempt appendix

Whistleblowing

During the period there were five instances of whistleblowing with multiple complaints made by each of the whistle-blowers. The allegations were determined to be of potential high-risk and therefore the Board-agreed approach was to use specialist external investigators with oversight and co-ordination by the ARAC Chair. Three investigations were closed and are summarised in Appendix 4.

Allegations were found to be materially correct in a number of instances, with investigations highlighting some weaknesses in internal control, breaches in policy and instances of malpractice.

Full findings were shared with ARAC members, Board members and senior officials at BCC. Outcomes were shared in appropriate detail with whistle-blowers.

An Action Tracker has been put in place to capture corrective actions and resource assigned to track and report on progress monthly to the Board. Where required regulators have been informed.

All instances (during and post period) and relevant findings were shared with the external audit partner at PWC.

Fraud, Breaches and Irregularities

Fraud, theft, bribery and corruption are recognised as significant risks, and need to be reviewed regularly as the company has developed, grown and become more complex in structure. A group-wide anti-fraud, bribery and corruption policy was approved by the Holding Company in 2020, but it was recognised a specific BWC Anti-Fraud Policy was required and this was rectified in March 2023, when a new policy was reviewed by ARAC and approved by the Board. This provides greater clarity on types of potential fraud, how to recognise and report fraud and the responsibilities of colleagues in relation to fraud. It requires annual certification by managers that they have reported all known or suspected instances of fraud in their area.

During the period the Fraud Risk Assessments (FRA) were tabled with the ARAC for review. While fraud risks had been reasonably identified in most areas, the adequacy of mitigating controls in some areas was of concern to the ARAC. External expertise to support further development of the FRAs across the business was identified and it was agreed that a series of workshops would be undertaken during the current year to provide robust challenge to existing controls and where appropriate work with management to deliver improvements.

Allegations of fraudulent practice and corrupt behaviour were a consistent theme within whistleblowing. Audits were subsequently undertaken by BCC IA and external parties (including forensic auditors). These found no specific evidence of fraud, but notably an environment where fraud could exist and/or where managers could open themselves up to allegations of fraud due to adequacy of the control environment.

A new Fraud, Breaches and Irregularities Report has been developed and is being tabled quarterly at the ARAC. Each executive member takes responsibility for providing the content as pertains to their area.

Board Effectiveness

The last independent Board Effectiveness review was undertaken in 2021, and there have been significant changes since then, at both non-executive and executive level. Following the resignation of both the Chair and ARAC Chair from the Board at the end of July, there will be further changes to Board membership from September. A further review will be undertaken during 2024.

ARAC Opinion

Based on the information provided, the outcome of the investigations and audits undertaken the ARAC are unable to provide assurance that the most effective systems of governance, risk management and internal control are currently in place across the organisation.

However, significant work has been undertaken and are ongoing, to significantly improve the control environment within which BWC operates. These have been covered in detail above but include:

- Timely communication and effective training of key policies (Whistleblowing, Expenses, Anti-Fraud, Anti-Corruption and Bribery, Code of Conduct). Appropriate management of breaches in relation to these policies.
- Communication and systems to ensure adherence with a new scheme of Financial Delegations and Controls;
- Development of Fraud Risk Assessments with adequate preventative, detective and reactive controls in place or identified with time-bound and monitored plans;
- Segregation of duties in relation to management where there is perceived to be an identified fraud risk;
- Mitigating controls in place, or identified with time-bound plans, in relation to Principal Risks; and
- Closing out of management actions in relation to key audits and delivering the corrective actions as outlined following the various whistleblowing investigations.

It should be noted that BWC operates within an industry sector with an historically poor reputation in the management of fraud and Health and Safety risks. In this context the business has, and continues to, make material improvements in the control environment relating to these areas.

Bristol Waste Company Assurance Statement 2022/23				
Completed by:				
Ref	Governance/Control Requirement	Level of Assurance Good/ Working Towards/ Gaps Identified (See Guidance 2.3)	Briefly provide details of what arrangements are in place that give you this assurance (See Guidance Note 2.4)	Actions Planned/Required Include Responsible Officer and Timescale (See Guidance not 2.5)
1. Integrity, Values and Compliance				
1	<p>Expectations and behaviour standards are set out in a Company Code of Conduct. All staff (F/T, P/T, temporary, agency staff and consultants) employed by the Companies have received a copy.</p> <p>Staff are required to make and have completed a declaration of interest form to identify potential conflicts of interest. Declarations made are passed to management for them to assess the impact and agree action as necessary.</p> <p>Staff are reminded regularly of the requirement to make declarations of interest where circumstances change.</p>	Working Toward	<p>All colleagues are issued with the Code of Conduct and declaration of interest form upon joining the company and most staff are now on iTrent Employee Self Serve (ESS) which contains a direct link to our Employee Handbook.</p> <p>BWC has updated its Code of Conduct for all employees and the new code takes effect from the 1st May.</p> <p>A gap has been identified during the year with regard to scope and regularity of requirement to complete declarations of interest. All supervisory staff and above have now been sent forms for completion by May. This will now be an annual process.</p> <p>BWC has updated its Anti-Corruption and Bribery policy and this makes specific the need to declare any potential conflicts of interest. All senior managers have received training and this will now be cascaded throughout the organisation.</p> <p>During the year a whistleblow highlighted a previous member of the executive and board had an undeclared conflict-of-interest with a supplier. This is currently being audited by KPMG and their forensic auditing team.</p>	<p>New Code of Conduct will be implemented from 1st May. The executive are currently working on a new-style training and communications plan to ensure this is rolled out effectively throughout the organisation.</p> <p>Declarations of Interest for all staff (supervisory and above) required to be returned May 2023 and thenceforth will be an annual update process coordinated by the Director of Finance and Strategy. All new starters are required to complete and sign a DoI.</p> <p>The executive are currently working on a new-style training and communications plan to rollout out the new Anti-Corruption and Bribery policy to all colleagues. We will also communicate through normal management cascade arrangements.</p> <p>Results from KPMG audit will be incorporated into the broader Whistleblowing Action Plan for the company. This will be tracked by a project team and reported to the ARAC.</p> <p>A Code of Conduct Audit has been agreed in the 2-Year Assurance Plan for 2024/25 and undertaken by BCC IA.</p>
2	<p>A clear policy is in place regarding acceptance and receipt of Gifts and Hospitality by management and employees of the company. If permitted, this is recorded in a register which is reviewed by management to ensure all received is appropriate.</p> <p>How many declarations are recorded for 2022/23</p>	Working Toward	<p>Last year we reported that there were no recorded declarations of hospitality, but the clear expectation was that any gifts received were raffled off with all proceeds going towards to our designated charity.</p> <p>The lack of policy alignment and effective recording is a gap that we have identified. Our updated Anti-Corruption and Bribery policy makes clear what should and should not be accepted and that all gifts or hospitality must be declared. This requirement has been implemented with immediate effect and the training for the Anti-Bribery and Corruption policy is outlined above. No declarations have been recorded for 2022/23, however, an instance was raised as part of a whistleblow, but this is not been substantiated by the 3rd party in question.</p>	<p>We have forms and process for recording gifts and hospitality, but are planning to introduce online recording and reporting.</p> <p>Identified breaches of the gifts and hospitality recording requirement will be reported quarterly to Audit and Risk Assurance Committee as part of a wider Fraud, Breaches and Irregularities (FBI) reporting which has now been introduced.</p>
3	<p>A whistleblowing policy is in place to encourage reporting and processes are established to respond to issues raised effectively.</p> <p>State how many reports have been received clearly indicating number closed.</p>	Working Toward	<p>The new board and executive are committed to creating a culture of transparency, honesty and integrity. We have outlined our Ethical Operating Principles and these are now being communicated to colleagues with every policy revision.</p> <p>A Whistleblowing that occurred during the year highlighted shortcomings in the existing policy and as a result, we have drafted a new Freedom to Speak Up (Whistleblowing) Policy which takes effect from May 2023. This aims to promote a culture of openness and freedom to report concerns without fear or favour.</p> <p>We have also introduced a formal role of Freedom to Speak Up Guardian at Executive Management level - with the Exec Team member deemed to have the highest level of independence from areas we think are at potential risk from any health and safety, environmental and financial wrong-doing. Whistleblowers can also escalate to the board or to BCC IA if they feel necessary. We have also finalised a new Investigation Protocol to ensure that investigations are handled in a proportionate and equitable way.</p> <p>All key senior managers have been both internally and externally trained, including a two hour session with Protect, the Whistleblowing Charity. Training on the new policy will now be rolled out to all colleagues.</p> <p>We had 3 serious whistleblows between November and March and each of these have been independently investigated (overseen by the Chair of our Audit and Risk Assurance Committee, using a range of external auditors or specialists). One has been concluded and the other two in their final stages. Lessons learnt from those investigations are being incorporated into our updated corporate governance policies and into communications for the organisation where beneficial.</p> <p>A formal Whistleblowing Action Plan has been put together and progress will be tracked by an experienced project resource. This will be reported to/monitored by the ARAC on a quarterly basis. An overview will form part of the quarterly ARAC report to the board and the full tracker furnished at the six-monthly ARAC Deep Delve. In addition a summary report is presented to BWC board, as part of our monthly monitoring so any issues can be escalated and resolved.</p>	<p>We must embed the Freedom to Speak Up (Whistleblowing) Policy throughout the organisation and foster a culture where all colleagues feel comfortable to report their concerns in the knowledge those concerns will be properly investigated, confident that they can do so without detriment.</p> <p>The Speak Up Guardian will be fully trained in all elements of whistleblowing (including oversight of investigations) and the leadership team are now trained. This means that the role of the ARAC Chair can move to being less involved than has been required over the last six months.</p> <p>A formal Whistleblowing Action Plan has been put together and progress will be tracked by an experienced project resource. This will be reported to/monitored by the ARAC on a quarterly basis. An overview will form part of the quarterly ARAC report to the board and the full tracker furnished at the six-monthly ARAC Deep Delve.</p> <p>Colleague satisfaction with Whistleblowing arrangements will be included as a area of questioning in the next BWC Colleague Survey.</p>
4	<p>Equalities impact assessments have been undertaken for all areas where applicable, within the last year.</p>	Good	<p>All policy changes and business cases require an EQIA. This is normally undertaken in conjunction with the Council.</p>	

5	<p>A Fraud, Bribery and Corruption policy is in place and provides for reporting of fraud and irregularity.</p> <p>All frauds and suspected financial irregularities have been referred for independent investigation and reported to the Audit and Risk Committee.</p>	Working Toward	<p>Previously BWC were required to adopt the Bristol Holding Anti-Fraud, Bribery and Corruption policy, the one policy in place was inadequate for the business and the other had not been adopted. Two new and separate policies (1-Anti-Fraud, and 2-Anti-Corruption and Bribery) have been developed and implemented from May 2023. These are tailored to ensure that they are relevant for our business.</p> <p>A number of suspected irregularities (financial and otherwise) have been reported through the three whistleblows and these have been independently investigated with findings and required actions reported to the BWC Audit, Risk and Assurance Committee and the Board.</p> <p>A new Fraud, Breaches and Irregularities (FBI) report and process has been agreed with the ARAC and will form part of the agenda at all ARAC meetings going forward.</p> <p>The Fraud Risk Assessment has recently been updated and this has highlighted the need for further management training in development of robust controls.</p>	<p>Simplified versions of the Anti-Fraud and Anti-Corruption and Bribery policies will be communicated to all colleagues by end of Q1 and as part of our induction process. We will also communicate through normal management cascade arrangements.</p> <p>Quarterly reporting of Fraud, Breaches and Irregularities will be ongoing to ARAC.</p> <p>External Fraud Consultant (ex Fraud Auditor) has been engaged to run series of management workshops.</p> <p>Actions pertaining to Whistleblowing Action Plan outlined above.</p>
6	<p>Mandatory training needs are identified and all staff and managers have had all mandatory training required.</p> <p>Provide numbers of staff who have and have not completed each area of mandatory training.</p>	Working Toward	<p>Core training compliance is reported on a monthly basis and mandatory training needs are identified by our Learning and Development Manager and SHEQ Director.</p> <p>Training Compliance is a KPI regularly reviewed by management (1st line), various SHEQ forums (2nd line) and the Board (2nd Line).</p> <p>During the 2nd and 3rd quarter of the year compliance levels had slipped and became a major focus at board meetings until back within target expectations. Current levels of compliance are 92%, with scheduled plans for completion for the remainder.</p>	<p>As part of personal development planning and objective setting for the year ahead, colleague training and development needs will be set out. This will include all mandatory training.</p> <p>The effectiveness of mandatory training to front-line colleagues (a large proportion of whom are illiterate, have learning difficulties or ESOL etc) is being actively reviewed and alternative mechanisms for delivery considered (e.g. greater use of video and infographics).</p> <p>Training Compliance has been included within the 2 year assurance plan for 2023/24 and this audit will be undertaken by BCC IA.</p>
7	<p>Relevant legislation is complied with and mechanisms are in place to review procedures in light of legislative change. Detail any instances of significant legal non compliance.</p>	Working Toward	<p>We are working towards managers at all levels having a range of compliance based KPIs included in their objectives (e.g. all supervisors had new objectives defined at the start of the 2022/23 year with a key focus on compliance).</p> <p>Management reporting includes KPIs to cover related areas of regulatory/legal/H&S Compliance (1st line).</p> <p>The company has an integrated assurance plan which outlines all 2nd and 3rd Line Assurances planned and gained in this area.</p> <ul style="list-style-type: none"> - A comprehensive set of second line assurance reviews were undertaken, predominantly by the SHEQ team, with results reported quarterly to the ARAC and six monthly to the board. - This year a range of third line assurance reviews were undertaken, this includes by regulators (e.g.HSE, EA), insurance providers (e.g. Zurich) and specialists (e.g. Logistics UK on the O-Licence). <p>All audits were the equivalent of reasonable (or above) with actions being closed out within required timelines.</p> <p>Environmental discharge consents have internal monitoring programmes which identified on two sites analysis results above consent limits. Corrective action has been put in place for each event. There is no requirements to report these events to regulators.</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>Redacted – see exempt appendix</p>	<p>In September 2022 the ARAC approved the desired format for a new Compliance Framework for the business. This will outline all relevant legislation impacting on BWC and define a clear process for (a) the update (b) dissemination of information and (c) update of all policies required. The first full version and the new process to update and manage this are on the ARAC agenda for the next meeting.</p> <p>The 2023/24 Audit Plan includes a range of audits to cover this area. This includes an audit of driver and vehicle compliance (carried over from 2022/23), an audit of Waste Duty of Care, Asset Compliance (big five), Fleet and Site Safety (HSAW Act). With the exception of the first, these will be undertaken by specialist external providers.</p>
8	<p>Data protection 2018 and UK GDPR requirements are routinely complied with by the Company</p>	Good	<p>A register of all data protection incidents is maintained listing outcomes and actions.</p> <p>Training at different levels has been undertaken with all colleagues and also forms part of our induction process. The Finance and Strategy Director is the dedicated Data Protection Officer (DPO) and will report data breaches as part of the Fraud, Breach and Irregularity reporting to the Audit, Risk and Assurance Committee.</p> <p>Regular 2nd/3rd line audits have been undertaken and improvement actions acted upon.</p>	<p>Data breaches to be regularly reported to ARAC as part of wider FBI report.</p> <p>The next 3rd line audit is planned for 2045/25 as part of the 2 year assurance plan.</p> <p>Policies are in place which were developed through BHL. The GDPR, Cyber and CCTV Policy review are scheduled into the ARAC planner for 2023/24.</p>
Defining and Delivering Outcomes				
9	<p>Fully costed business plans are in place that cover all relevant services and which clearly reflect Company objectives. The plans balance economic, social and environmental aspects of business delivery. Options appraisal is completed. Objectives are clearly communicated to staff and stakeholders are consulted.</p>	Good	<p>The fully costed business plan for 2023/24 was approved by Cabinet in March 2023 and is available to read on our Business Management System. The strategy and objectives from our Business Plan are then put into practice flowing down from our Board, SLT, Management Team and colleagues. We are improving the "golden thread" through improved team planning processes and individual objective setting.</p> <p>Whilst our processes for development of business plans are good, improvements are required in Council decision-making, particularly in the context of prevailing economic conditions and funding for services through our core contracts is insufficient to pay for current levels of service and requiring changes to methods of service delivery. Partly as a consequence of this the Council only approved a 1 year plan for 2023/24</p> <p>Management review performance against plan on a regular basis (1st line), board on a monthly basis (2nd) and BCC at Shareholder group (3rd)</p>	<p>The Council needs to improve business plan decision-making processes which facilitates effective change to be implemented in good time to secure longer term financial resilience.</p> <p>Longer term business strategy to be developed during 2023/24 and early approval of 2024-2029 business plan sought from BCC.</p> <p>The target is for 90% of colleagues to have linked objectives by the end of 2023.</p> <p>BCC IA has been commissioned to provide assurance in relation to processes and plans established to ensure Business Plan Delivery. For this to be of maximum use this needs to be scoped and conducted expediently by the BCC IA team.</p>

18	Risk Registers are maintained which identify key risks to delivery of objectives and identify actions being taken to manage them. Risk and action owners have been allocated to all key risks to ensure appropriate actions are taken to manage and monitor risks.	Working Toward	<p>Risk Management Framework and Strategy are in place and in 2022/23 the BWC Board approved (1) a new risk framework (April 22) and a revised Risk Appetite Statement (February 23).</p> <p>Management have risk management meeting on monthly basis (1st)</p> <p>Corporate risk reporting has been improved during the year and the register is updated monthly and a summary reported to each board meeting (2nd)</p> <p>A detailed review of Principal Risks, Controls and related Assurances is undertaken quarterly by ARAC (2nd)</p> <p>Each key risk is allocated to a risk owner who has responsibility for ensuring appropriate actions are taken to mitigate risks.</p> <p>Steps taken to ensure risk management is fully integrated into business processes (e.g. new business plan template includes both requirement to consider risks and mitigation but also how it sits vs. the defined appetite for risk)</p> <p>The Integrated Assurance Plan is fully linked to the Principal Risk register and ensuring that controls in place are adequate and working effectively.</p>	<p>Embedding risk management processes into team planning from 2023/24.</p> <p>Further executive training/workshops are planned in 2023/24 with a focus on ensuring adequate and effective controls are in place to mitigate Principal Risks.</p> <p>Risk deep dive review programme agreed at ARAC to be scheduled in Forward Planner post April meeting.</p>
19	<p>Significant risks and issues are escalated timely to Bristol Holdings and the shareholder as appropriate.</p> <p>List any risks that have crystallised during the year.</p>	Good	<p>Our quarterly report to the Shareholder includes a summary of our corporate risk register and appropriate risk appetite, which are also reported to Bristol Holdings through its Companies Assurance role.</p> <p>The BWC ARAC undertakes detailed risk reviews at each quarterly meeting and the BHL Finance Director attends both this meeting and the BWC Board. This has replaced the Group Audit and Risk Committee.</p> <p>The three key risks of increasing significance to the business in 2022/23 were:</p> <ul style="list-style-type: none"> - ability to recruit and retain talent in key operational areas; - economic environment (inflation, brexit) creating financial pressure; - lack of adequate internal controls increasing risk of fraud and other breaches; 	
20	A Health and Safety plan is in place for the company.	Working Toward	<p>We have a Health and Safety Plan and Management System in place. Mandatory training is defined for all colleagues and training compliance is covered in the sections above.</p> <p>Health and Safety is a key aspect of all colleague objectives and will be an imperative as objectives are rolled out further.</p> <p>Management review of Health and Safety occurs on weekly and monthly basis across the business (1st Line).</p> <p>The SHEQ Team undertake a comprehensive schedule of second line reviews and visible leadership inspections are undertaken on a regular basis (2nd line).</p> <p>A range of 3rd line reviews were undertaken in 2022/23 including scheduled and unscheduled site visits by the HSE (with positive outcome) and a Near Miss audit by BCC IA (reasonable assurance). In addition Approachable undertook their ISO45001 review of H&S management systems every July and December. This resulted in recertification.</p> <p>The board reviews a comprehensive set of lead and lag indicators on a monthly basis and a significant proportion of each board meeting is dedicated to understanding incidents, near misses and progress against the plan (2nd Line).</p> <p>In reviewing H&S performance and plan, the board identified key gaps in this area in relation to the effectiveness of communication with frontline colleagues and broader weakness in H&S Culture. These have been identified as key priorities within the business planning process.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>Redacted – see exempt appendix</p>	<p>Full site safety reviews (using Outsource Safety) of each HRRC starting in May.</p> <p>External review of the proposed Driver Training Improvement Plan and Hazardous Waste Plan over the next four-six weeks.</p> <p>Significant investment in resource to develop effective H&S training and communication for front-line colleagues and asked the SHEQ team for increased focus on culture, human factors (HSG 48) and route cause analysis within the course of their annual workplan.</p>
21	Business continuity plans are in place covering all critical services and systems. Plans are regularly tested and reviewed as necessary.	Good	<p>We have a business continuity team and a full plan in place, this has been tested over the last few years with the likes of Covid, snow and extreme heat. The plan has been reviewed by the ARAC and an updated draft is expected to the June Committee.</p> <p>A regular schedule of testing is undertaken by the SHEQ team (2nd Line).</p> <p>In 2022/23 the IT Manager has been working on a Cyber Incident Response Plan, with an initial draft tabled with the ARAC in December 2022. This is due to be finalised in June alongside the broader BCP.</p>	<p>Finalised BCP revision and Cyber Incident Response Plan (including simplified flow-charts for both) to the June ARAC.</p> <p>Second line testing will continue through 2023/24 and in 2024/25 a BCP Audit will be undertaken as part of the 2 year assurance plan.</p>
Financial Management				
22	Company financial and procurement regulations are in place, staff are aware of them and they are being complied with. Provide details of any known breaches during the year and actions taken.	Gaps Identified	<p>A scheme of financial delegations has been in place since 2016 but has not been reviewed until this year (this is discussed above).</p> <p>The BWC ARAC reviewed the revised delegations in April, along with a new framework of financial regulations. This will be tabled for approval with the board in May.</p> <p>A Procurement Policy and rules are in place, but this is now known to be an area of weakness. The board requested a Deep Dive in 2022/23 which highlighted gaps and resulted in the procurement audit being brought forward.</p> <p>While the TOR for that audit was being finalised, the second whistleblow occurred and specific concerns raised as part of that were able to be incorporated within the audit scope.</p> <p>Supplier and Customer Due Diligence was on the ARAC agenda for 2023/24 however as a result of findings in relation to the third whistleblow, this will be expedited.</p>	<p>Approval of financial regulations and revised scheme of financial delegations by BWC Board in May. Communication and training plan to be developed to ensure effective rollout throughout organisation.</p> <p>Revised Procurement Policy and Supplier/Customer Due Diligence process to ARAC in June.</p> <p>Approval of other key financial policies and procedures (incl credit card, pricing and debt management) during 2023/24</p> <p>Quarterly reporting on breaches to ARAC in FBI report will include procurement rules and payments made without a valid purchase order.</p>

23	Monthly budget forecasts are completed accurately by trained budget managers who are responsible for delivery within their own budget. Monitoring demonstrates good financial performance of the company.	Working Toward	<p>Last year we reported that as part of our monthly reporting procedures an updated forecast outturn is prepared for the financial year to give early warning and visibility of movements from business plan so that appropriate action can be taken. However, it became evident during the year that whilst monthly monitoring an forecasting has been regularly reported to the BWC Board, it was largely a top-down process undertaken by the finance team rather than budget managers.</p> <p>The process is being changed with effect from April 2023. Budgets and accountability have been delegated to budget managers and we are in the process of improving training and support mechanisms underpinned by financial regulations and financial procedures.</p>	<p>Embedding budget and financial delegations and accountability.</p> <p>Development of improved monthly finance and performance management packs to enhance devolved forecasting and decision-making</p> <p>Improved training and development for budget managers and support from finance business partners as part of the finance improvement programme.</p>
24	A policy is in place to manage the use of Purchase/Credit Cards. Card holders are aware of and are complying with the policy. Provide details of any known breaches during the year and action taken.	Working Toward	<p>We only have three credit card holders in the business with an overall company limit of £10,000 and spend controlled, with management oversight and approval of monthly returns. However it is recognised that no formally documented credit card usage policy, outside our wider procurement policy, is in place - and we need to ensure use of credit cards are only used when and where appropriate.</p> <p>Fuel card are used for some of our smaller vehicle with spend linked to vehicle and a limited number of supervisors. Usage is monitored and reviewed.</p>	<p>Formalisation of Credit Card Usage Policy.</p> <p>PCI compliance to form part of the FBI reporting to the ARAC.</p>
25	Arrangements are in place to ensure the companys financial resilience and delivery of value for money.	Gaps Identified	<p>Core contract uplifts are determined by the Council and for 2023/24 have been set in the context of its financial challenges, [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p style="text-align: center;">Redacted – see exempt appendix</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>As a consequence of failure to agree sufficient service changes with the Council to deliver longer term financial resilience, a 1 year Business Plan was approved in March 23. A new corporate risk of insufficient funding/funding misaligned with service spec. from BCC has been added to our key corporate risk register.</p> <p>Value for money is at the forefront of any operational, financial and procurement decisions we take. In our Business Plan for 23-24 we detailed £12m of financial efficiencies that will have been delivered by the end of 22-23, and the need to "live within our means" has required identification of a further £3m worth of measures. The company's balance sheet and cash reserves are monitored as part of our normal board reporting and reviewed by the BWC Board.</p>	<p>The Council needs to significantly improve business plan decision-making processes to facilitate effective change to be implemented in good time to secure longer term financial resilience. This means BWC will need to have formal agreement with BCC no later than September 2023 on either what additional base budget resources will be made available to deliver current municipal waste services, or what service changes to be implemented to address the anticipated £1m gap for 2024/25.</p> <p>Completion of contract review for core FM services, and agreement of required changes required by the end of Q1 to reflect changing circumstances of service delivery, and its viability</p> <p>Longer term business strategy to be developed during 2023/24 will focus on financial resilience.</p> <p>Early approval of 2024-2029 business plan required by BCC.</p> <p>Benchmarking and Vfm review to be considered by ARAC in latter part of 2023/24</p>
Governance Successes, Assurance and Effective Accountability				
26	Effective Audit Committees are in place to oversee governance, risk and control arrangements. Committee members are independent of Company operations and meet regularly to receive assurances in relation to governance, risk management and internal control arrangements.	Good	<p>BWC has implemented and is operating its Audit, Risk and Assurance Committee (ARAC) which oversees governance, risks and control arrangements. The Committee arrangements are in compliance with those laid out in the UK Code of Corporate Governance and include one Non-Executive Director and 2 independent members with specialist expertise in governance, risk management and audit. In addition the BHL Finance Director sits on the Committee to ensure the feed through to the holding company. The ARAC meets at least 5 times a year.</p> <p>The introduction of company specific governance committees has allowed for increased depth of rigor and review relative to the previous holding company structure where cross-company assurances reduced the depth of important reviews.</p>	<p>-Board Effectiveness review scheduled for June, ARAC Effectiveness for December</p>
27	Sufficient independent assurance (Internal Audit/External Audit/Inspectorate Reports) on risk and controls have been received and agreed actions are implemented in timely manner. Provide details of independent assurances reports received during the year. Where there are gaps in assurance please provide details.	Working Toward	<p>Major progress has been made in the area of assurance, with the new ARAC requiring a range of reporting that was previously absent from the group structure such as regular integrated assurance reporting, detailed compliance framework, fraud, breaches and irregularities reporting.</p> <p>65% of BCC IA Audits between 2019 and 2022 were deemed to provide 'reasonable assurance'. Given the state of internal controls within the business, it is recognised that the previous process needed to be changed and a range of specialist providers used in conjunction with BCC IA. What was an audit plan driven by the BCC IA team with input from the BWC executive, will now led by the company based on a detailed assurance map. This is in place for the 2023/24 year and input has been taken from BCC IA. The ARAC and IA team will also collaborate on some new initiatives (such as cultural auditing).</p> <p>A range of independent (3rd line) assurances have been gained in 2022/23 year. This includes:</p> <ul style="list-style-type: none"> - Approachable Ltd - ISO 9001 (Quality), 14001 (Environmental) and ISO 45001 (Occupational Health) and ISO 27001 (Information Security). BS15713 (secure disposal standards). - HSE - scheduled and unschedule site visits (including Avomouth and Albert Road) - EA - site visits (multiple sites) - Logistics UK - O Licence - BCC IA - Recruitment, onboarding and exit, Near Miss, Commercial Waste Revenue & AR, Hartcliffe PIR - Zurich- property audits (multiple sites) - NSI - surveillance and security audits <p>This is in addition to the BCC Waste Client quarterly audit programme.</p> <p>Only one audit had Limited (or equivalent findings) and that was the Commercial Waste Revenue/AR Audit, where a clear action plan is in place. Re-certification has been granted for all ISO standards.</p> <p>Where there was an unacceptable delay/extension in previous management actions, these have all been closed out bar one (which has a plan to rectify). A new format for tracking and focusing on management actions will be used at ARAC from June.</p>	<p>2023/24 Integrated Assurance Plan has been approved by ARAC for recommendation to the May Board. Draft Plan of 3rd Line Assurances for 2024/25 also included to create the two year view.</p> <p>Plan increases significantly use of BCC IA but also a range of specialist providers to deliver required assurances.</p>

28	<p>Detail any significant changes in governance that have occurred during the year 2022/23.</p>	Working Toward	<p>There has been a complete change in the board over the past 12 - 18 months. The MD, FD, OD (Interim MD for a period) and BWS Director all departed during the course of the 2022/23 year. Certain of those roles were permanently replaced (OD, FD) and others elevated to director level including SHEQ Director (now full time) and Director of People. One of the NEDs has been standing in as Interim MD for the last four months and the board are discussing interim and permanent candidates for MD with BCC.</p> <p>We appointed experienced independent members to the ARAC (2) and REPCO (2) and both these Committees became operation during the year, improving corporate governance arrangements and rigor and depth of review.</p> <p>A strong balanced board performance reporting pack is produced monthly, the forward plan is comprehensive and the rigor of challenge and debate at the board has increased exponentially.</p>	<p>Recruitment of permanent MD.</p> <p>Recruitment of new Non-Execs to the board as current terms expire.</p> <p>Embedding BWC ARAC and REPCO arrangements.</p> <p>Approval of Financial Regulations and revised scheme of financial delegations.</p> <p>Update of key policies and procedures in line with the board agreed schedule.</p>
29	<p>Detail significant failures in risk management, governance and internal control within the company that may require reflection the the Council's Annual Governance Statement. These might include issues which have:</p> <ul style="list-style-type: none"> • Seriously prejudiced or prevented achievement of a principle objective; • Required a significant diversion of resources; • Had a material impact on the accounts; • Resulted in significant public interest or has seriously damaged reputation; • Resulted in formal actions being taken by the Chief Financial Officer or Monitoring Officer; • Received significant adverse commentary in external inspection reports that has not been able to be addressed in a timely manner; - has demonstrated significant poor value for money <p>(The above is for guidance and not an exhaustive list.)</p>	Working Toward	<p>There are three areas which should be highlighted:</p> <ol style="list-style-type: none"> 1. the inability to complete a business plan beyond one year due to misalignment between funding and cost to provide services; 2. broader issues in governance and oversight inherited from previous board/management: <ul style="list-style-type: none"> - legacy of previous BWC Board and management; - breadth covered by previous centralised/holdco governance limited depth/rigor in independent assurance; 3. review by the new board./executive and whistleblowing subsequent to senior mgmt exits, has revealed control weakness in: <ul style="list-style-type: none"> - financial and contractual delegations and controls; - procurement policy and compliance - expenses management; - due diligence in relation to suppliers and managers; - certain on-site safety practices; - code of conduct; - contractual agreements and oversight; - commercial contract management; - management behaviours. 	<p>Significant focus has gone into and continues to go into these areas:</p> <ol style="list-style-type: none"> 1. early planning is underway between BWC and BCC - working together to formulate the future service proposition and funding model along with the efficiency plan for BWC to deliver against; 2. (a) there has been a full change out in the BWC board (exec and non-exec) over the past 18 months. Currently recruiting for an interim turnaround MD and a permanent MD. NEDs coming to the end of their two year term over the coming six months with no plans to renew, so Chair and ARAC Chair roles in recruitment. (b) BWC now (since Sept 22) has its own ARAC and REPCo in place, each with a NED and two independent members. BHL maintaining oversight through BHL FD attendance at BWC Board and ARAC 3. A schedule of review has been established for the re-drafting, training and communication of all key company policies. This includes whistleblowing, expenses, Anti-fraud, Anti-bribery and corruption, Financial Delegations and Controls, Code of Conduct. <p>Whistleblowing Action plans are being formalised with clear reporting process (allocated project manager, updates to ARAC, Board and Shareholder Board).</p> <p>Integrated Assurance Plan approved by ARAC for 2023/24 and draft 3rd Line for 2024/25 - to May BWC Board. Input/Review from the BCC Chief Internal Auditor and his team. This includes a much more comprehensive audit programme including increased use of specialist external providers in areas such as Health and Safety and Compliance.</p> <p>External resource to review our approach and process for commercial services and new Sales Director recruited to lead this business area. A range of management training to cover not only process but behavioural change.</p>
Sign Off:	<p>Completed by: Chris Holme Designation: Finance & Strategy Director Date: 03/05/23</p>			

Bristol Waste Company

**Audit, Risk and Assurance Committee
Terms of Reference**

Version 3.0 to be approved by the Audit, Risk and Assurance Committee 13 September 2022

Bristol Waste Company

(the Company)

AUDIT, RISK AND ASSURANCE COMMITTEE (the Committee)

TERMS OF REFERENCE

1. Purpose

The purpose of the Committee is to assist the Bristol Waste Company (BWC) Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- 1.1 the integrity of the financial information provided to BWC and Bristol City Council (ultimate Shareholder);
- 1.2 the Company's and the Group's systems for internal controls and risk management;
- 1.3 the internal and external audit process and auditors; and
- 1.4 the process for compliance with laws, regulations and ethical codes of practice.

2. Membership

- 2.1 Members of the Committee shall be appointed by the BWC Board. The Committee shall be made up of at least 3 members.
- 2.2 Members of the Committee shall be independent non-executive directors and co-opted member(s); at least one of whom shall have recent and relevant financial experience and with competence in accounting and/or auditing. The BWC Board may co-opt members to the Committee who they consider have particular skills and abilities which would assist with the work of the Committee. The Chair of the BWC Board shall not be a member of the Committee.
- 2.3 Only members of the Committee have the right to vote at Committee meetings. However other individuals such as the Chairman of the BWC Board, the BWC Finance Director, Managing Director and other directors and managers may be invited to attend all or part of any meeting as and when appropriate. A representative of Bristol Holding Company Board or other shareholder representative may attend as an observer from time to time.
- 2.4 BCC Internal Audit will be invited to attend each meeting of the Committee and the external auditor(s) lead partner as appropriate.
- 2.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the director remains independent.
- 2.6 In the absence of the Committee Chair and/or an appointed deputy, a remaining member present shall elect himself or herself to chair the meeting.

3. Secretary

3.1 The [*BWC Company Secretary*] or their nominee shall act as the Secretary of the Committee.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be 2 members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

5.1 The Committee shall meet at least five times a year, quarterly and one additional meeting at an appropriate time in the reporting and audit cycle to review Report and Accounts and to approve the Annual Comprehensive Assurance Statement.

5.2 Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the Company's governance, including the BWC Board Chair, the BWC Finance Director, the external audit lead partner(s) and the internal Audit Manager.

6. Notice of Meetings

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7. Minutes of Meetings / Conflicts of Interest

7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and once agreed, to all members of the BWC Board.

8. Duties of the Committee

The Committee should carry out the duties below for the Company:

9. Financial Statements

The Committee shall monitor the integrity of the financial statements of the Company, including Annual Reports and any other announcements relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. Review and report to the BWC Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor. In particular the Committee shall review and challenge where necessary:

- 9.1 the consistency of, and any changes to, accounting policies on a year-on-year basis and across the Company;
- 9.2 the methods used to account for significant or unusual transactions where different approaches are possible;
- 9.3 whether the Company has adopted appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor(s) on the financial statements;
- 9.4 the clarity of disclosure in the Company's financial reports and the context in which statements are made;
- 9.5 all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management;
- 9.6 to enable the Committee to effectively monitor the integrity of the financial statements of the Company it shall review such other statements requiring Board approval which contain financial information as may be appropriate and shall do so prior to submission to the Board where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation; and
- 9.7 where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the BWC Board.

10. Narrative reporting

Where requested by the BWC Board, the Committee should review the content of the Company's Annual Report and accounts and advise the BWC Board whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for the shareholder to assess the Company's performance, business model and strategy and whether it informs the Board's statement in the Annual Report on these matters.

11. Internal Controls and Risk Management Systems

The Committee shall:

- 11.1 keep under review the Company's internal financial control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems;
- 11.2 annually review reserves and tax strategy and policies;
- 11.3 review and approve the statements to be included in the Company's Annual Report and financial accounts concerning internal controls and risk management and viability statement;
- 11.4 oversee the Company's strategy and policy for risk management and the risk management process;
- 11.6 monitor the adoption and application of risk management policies throughout the Company/Group and any subsequent amendments thereto;
- 11.8 review and agree a methodology for how risks are to be recorded in the Board/strategic risk register;
- 11.9 assess the effectiveness of the control systems established by management to identify, assess, manage and monitor financial and non-financial risks;

12. Compliance, Whistleblowing and Fraud

The Committee shall:

- 12.1 review the adequacy of the company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 12.2 review the company's procedures for prevention, detecting and countering fraud, corruption, bribery and money-laundering;
- 12.3 review the company's systems and controls for the prevention of modern slavery;
- 12.4 review the company's governance arrangements for compliance with other legislative and industry standards and requirements and oversee the process for ensuring that a robust Compliance Framework is in place and operational;
- 12.5 receive regular periodic updates on all of these issues;
- 12.6 receive from the Internal Audit function assurance around the design and implementation of anti-fraud measures for the Group.

13. Internal Audit

The Committee shall:

- 13.1 review of the role of the BCC internal audit team in supporting its integrated assurance plan, monitor and review the effectiveness of its work, and annually approve the internal audit plan ensuring it is appropriate for the current needs of the organisation;
- 13.2 approve the appointment of any third party audit manager/advisors where BCC internal audit does not have the technical expertise to deliver the specific assignment;
- 13.3 review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out;
- 13.4 ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- 13.5 ensure the internal auditor manager/advisor has direct access to the BWC Board Chair and to the Committee Chair, providing independence from the executive and accountability to the Committee;
- 13.6 carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:
 - 13.6.1 meet with the head of internal audit process without the presence of management to discuss the effectiveness of the function;
 - 13.6.2 review and assess the annual internal audit work plan;
 - 13.6.3 receive a report on the results of the internal auditor's work;
 - 13.6.4 determine whether it is satisfied that the quality, experience, and expertise of internal audit is appropriate for the business; and
 - 13.6.5 review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.
- 13.7 monitor and assess the role and effectiveness of the internal audit function in the overall context of the company's risk management system and the work of compliance, finance and the external auditor; and
- 13.8 consider whether an independent, third party review of processes is appropriate.

14. External Audit

14.1 The BHL Board/BCC Assurance Committee will be responsible for the appointment and overarching management of the external auditor(s) for the Group. This will include conducting all necessary due diligence in relation to financial, legal and ethical considerations.

The Committee shall support this by:

- 14.1.1 considering and making recommendations to in relation to the performance, appointment, re-appointment and removal of the external auditor(s);
 - 14.1.2 inputting into the selection procedure ensuring that all tendering firms have access to all necessary information in relation to the Company and individuals during the tendering process;
 - 14.1.3 if an auditor resigns, support any investigation into the issues leading to this and the decision as to whether any action is required;
 - 14.1.4 approving their remuneration in respect of services provided in relation to the Company, including both fees for audit and non- audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - 14.1.5 approving their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 14.1.6 satisfying itself that there are no relationships between the auditor and the Company (other than in the ordinary course of business) which would adversely affect the auditor's independence and objectivity;
 - 14.1.7 meeting regularly with the external auditor (s) (including once at the planning stage before the audit and once after the audit at the reporting stage), and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit of the Company;
 - 14.1.8 discussing with the external auditor the factors that could affect audit quality and review and approve the annual audit plan as relates to the Company, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team; and
 - 14.1.9 approving the annual audit plan for the Company and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- 14.2 reviewing the findings of the audit in relation to the Company with the external auditor(s). This shall include but not be limited to, the following:
- 14.2.1 a discussion of any major issues which arose during the audit;
 - 14.2.2 key accounting and audit judgements;
 - 14.2.3 levels of errors identified during the audit;
 - 14.2.4 the effectiveness of the audit process.

14.3 The Committee shall also:

14.3.1 review any representation letter(s) requested by the external auditor(s) before they are signed by management;

14.3.2 review the management letter and management's response to the auditor's findings and recommendations; and 14.5.3 review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

15. Reporting Responsibilities

15.1 The Committee Chair shall report formally to the BWC Board on its proceedings after each meeting on all matters within its duties and responsibilities. The report shall include:

- (i) the significant issues that it considered in relation to the financial statements (as required under para 9) and how these were addressed
- (ii) its assessment of the effectiveness of the external audit process (as required under paragraph 14.4.8), the approach taken to the appointment or reappointment of the external auditor, length of tenure of the audit firm, when a tender was last conducted and advance notice of any retendering plans; and
- (iii) any other issues on which the BWC Board has requested the Committee's opinion.

15.2 The Committee shall make whatever recommendations to the BWC Board it deems appropriate on any area within its remit where action or improvement is needed. Also:

- (i) the Committee shall compile a report on its activities to be included in the Company's Annual Report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matter communicated to it by the auditor.
- (ii) in compiling the reports referred to in 15.1 and 15.2(i), the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern and the inputs to the Board's viability statement. The report to shareholders need not repeat information disclosed elsewhere in the Annual Report and accounts but could provide cross-references to that information.

15.3 The Committee shall compile, and recommend to the BWC Board for approval, the Annual Comprehensive Assurance Statement for the shareholder.

16. Other Matters

The Committee shall:

- 16.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 16.2 be provided with appropriate and timely training, both in the form of an induction programme for members and on an ongoing basis for all members;
- 16.3 give due consideration to relevant laws and regulations;
- 16.4 be responsible for the coordination of the internal and external auditors;
- 16.5 oversee any investigation of activities which are within its terms of reference;
- 16.6 work and liaise as necessary with all other Board Committees, taking particular account of the impact of risk management and internal controls being delegated to different Committees; and
- 16.7 arrange for periodic reviews of its own performance and, at least annually review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the BWC Board for approval.
- 16.8 provide reporting, audits and reviews required to support the BHL Board/BCC Assurance Committee. The agreement in relation to the cost and timing of the reviews will be agreed by the BWC Board and BHL Board/BCC Assurance Committee prior to commencement.

17. Authority

The Committee is authorised:

- 17.1 to seek any information it requires from any employee of the company in order to perform its duties;
- 17.2 to obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference;
- 17.3 to call any employee of the company to be questioned at a meeting of the Committee as and when required;
- 17.4 oversee any investigation of activities which are within its terms of reference; and
- 17.5 have the right to publish in the Company's Annual Report, details of any issues that cannot be resolved between the Committee and the Board.

APPENDIX 3: 2022/2023 INTEGRATED ASSURANCE SUMMARY

Q1 Apr-Jun 22			Q2 Jul-Sep 22			Q3 Oct-Dec 22			Q4 Jan-Mar 23			Initiated in period, reported post		
2 nd / 3 rd	ASSURANCE	OUT CO ME	2 nd / 3 rd	ASSURANCE	OUTC OME	2 nd / 3 rd	ASSURANCE	OUTCOME	2 nd / 3 rd	ASSURANCE	OUTCOME	2 nd / 3 rd	ASSURANCE	OUT COME
3 rd	Hartcliffe Pre-imp Review	G	3 rd	13/9 EA Inspection x 3	Good	3 rd	ISO27001 & BS15713	Good	3 rd	BCC IA – Near Miss	Reasonable	3 rd	BCC IA – Driver/vehicle Compliance	TBD
3 rd	EA inspection – Albert Road	G	2 nd	BMS audit IT Reuse 27001	Low	3 rd	ISO9/14/45/41001	Good	2 nd	31/1 Security key audit – South	Medium	3 rd	BCC IA – Procurement and Contracts Management	Limited
3 rd	EA inspection – Hartcliffe Way	G	3 rd	BCC IA – Recruitment, Onboarding and Exit	Reasonable	3 rd	NSI	Good	2 nd	02/3 Security key audit – Central	Medium	3 rd	KPMG Forensic Audit – Specific Customer	Limited
3 rd	Zurich Property audit – Albert Rd	G	3 rd	EA inspection – Days Rad	Good	2 nd	BMS audit – AR transfer Station	Medium	2 nd	07/03 Security key audit – North	Medium			
3 rd	Zurich Property audit – Days Rd	M	3 rd	ISO9/14/45001	Good	2 nd	Payroll review	Recommendations	2 nd	16/02 BMS audit – City Hall	Medium			
3 rd	BCC Client audit – Days Road	M	3 rd	SafeContractor	Good	2 nd	Income Review	Recommendations	3 rd	20/02 NSI audit – Security	Good			
3 rd	ISO41001 Facilities Mgt	G				2 nd	CDM Projects Days Road salt move	Medium	2 nd	30/01 BMS Audit – Refuse & Recycling	Medium			
2 nd	Management Review	G				2 nd	DSEAR Albert Road Transfer Station	Medium	2 nd	15/02 BMS audit – Street Cleansing	Medium			
2 nd	BMS audit – recycling	M				2 nd	BMS audit – Fleet & workshop	Medium	3 rd	14/03 BCC Client audit – villages (ex-toilets)	Low			
2 nd	BMS audit – Fleet	M				2 nd	Performance Data review	Recommendations	3 rd	23/02 BCC Client audit – Hartcliffe	Low			
2 nd	BMS audit – Clinical	M				3 rd	BCC IA -Commercial Revenue & AR	Limited	3 rd	16/03 HSE Spot Check – Albert Road	Good			
									3 rd	23/03 HSE – Spot check – Avonmouth	Good			
									3 rd	28/03 EA inspection – Albert Road	Good			
									3 rd	23/03 Logistics UK O Licence Fleet	Low			
									3 rd	22/03 ISO QLS – ISO27001	Good			

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APPENDIX 4– WHISTLEBLOWING SUMMARY

	WB1	WB2	WB3
WHISTLEBLOWER	Ex Colleague	Colleague (now ex colleague)	Ex Colleague
AREA BUSINESS	Commercial Waste	HRRC/Transfer Station	HRRC/Transfer Station
TYPE ALLEGATIONS	<ul style="list-style-type: none"> • Fraud • H&S • Code of Conduct • Management cover-up 	<ul style="list-style-type: none"> • Potential Fraud/Fraud • Code of Conduct 	<ul style="list-style-type: none"> • Health and Safety • Code of conduct • Commercial (business concern)
INVESTIGATION OVERSIGHT	ARAC Chair	ARAC Chair (WB) Interim MD (Bus Concerns)	ARAC Chair
EXTERNAL BODIES ENGAGED FOR INVESTIGATION	<ul style="list-style-type: none"> █ [REDACTED] █ [REDACTED] █ [REDACTED] 	<ul style="list-style-type: none"> █ [REDACTED] █ [REDACTED] █ [REDACTED] █ [REDACTED] 	<ul style="list-style-type: none"> █ [REDACTED] █ [REDACTED] █ [REDACTED] █ [REDACTED]
INVESTIGATION STARTED	Nov	Feb	March
WHISTLEBLOWING OPEN/CLOSED?	Closed	Closed	Closed

Redacted- see exempt appendix

Report to:	Bristol Waste ARAC	Agenda item No:	
Date of Meeting:	25 April 2023		

Title of Report:	2023/24 Audit Plan
Board Sponsor:	Charmion Pears
Author(s):	Charmion Pears (with input from Lucy Edgar and Chris Holme)
Appendices	Audit Planning – 2 nd and 3 rd Line Map

1. Executive Summary and outcome sought

Since the ARAC was set up last year, we have been working to build on our integrated assurance reporting and planning. We have a strong second line resource, and their activity, and that of non-BCC IA 3rd lines, were largely unreported to the previous ARC or BWC Board.

The integrated assurance reporting (which is work-in progress), allows us to gain a more comprehensive view of assurance and to ensure our 3rd line audit resource is deployed most effectively (e.g. we are avoiding duplication). Having our SHEQ Director as a regular attendee at the ARAC has been very beneficial given much of the activity is happening under her leadership.

In 2023/24 we will build on this and in addition, look to ensure that our 1st line is working effectively.

In support of 2023/24 planning, we have created an integrated assurance map. This uses the format tabled and agreed by the ARAC in its inaugural meeting. It outlines our Principal Risks and Controls and then maps proposed 2nd and 3rd line assurances to those. As is evidenced by gaps in the file, the executive is concurrently working on ensuring adequate controls are in place for some of the newer risks.

In developing the current mapping, various inputs have been incorporated. These include:

- Outputs from recent whistleblowing investigations;
- Work done by the SHEQ Director in her regular planning to ensure integrity of the BMS;
- Requirements from certain regulators, customers or suppliers;
- Input from BCC IA based on what they have learned in their current and previous work with BWC;
- Prior years audits

It is good practice to have a two or three year audit plan. In the attached you will see we have a clear view for the 2023/24 year and have a base W-I-P plan for 2024/25.

Outcome sought: the ARAC is asked approve the 2023/24 plan for recommendation to the BWC Board.

2. The Main Report

The attached excel file contains the assurance map. The key columns for ease of reference are:

- D – F (second line)
- J and K (third line 2023/24 and WIP 2024/25)

This results in the second line plan outlined in the file, and the third line plan both outlined in the file and summarised for ease of reference below. Please note, the summary below is arranged in order of timeline, the view by Principal risk can be found in the file.

2023/24 3rd Line Audit Plan

Audit	Provider	Timing
Procurement (prior year carried over)	BCC IA	April
O-licence	UK Logistics	April
Paymech review	E&Y for BCC	April
Plan B Supplier Review (prior year, carried over)	KPMG	April
Review of Fraud Risk Assessment	Sapey Associates	April
Driver/vehicle compliance (prior year carried over)	BCC IA	May
Business Plan Delivery	BCC IA	May/June
Avonmouth Full Site Safety Review	Outsource Safety	May
Albert Road, Hartcliffe, Days Road Full Site Safety Review	Outsource Safety	June
External audit/report and accounts	PWC	April-July
Asset Compliance (big 5, environmental)	TBD	Q2
Waste transfer notes/Waste Duty of Care	Bureau Veritas?	June
Safe Contractor Renewal Audit	SafeContractor	May
Fleet processes, management, controls	TBD	Q2
ISO 45001 H& S Management Systems	Approachable	July, Dec
ISO 14001 Env Mgmt Systems	Approachable	July, Dec
ISO 9001 Quality Management Systems	Approachable	July, Dec
ISO 27001/BS15713 Info Security/Destruction	QSL	August, Feb
Surveillance Visit	NSI	August, Feb
Overtime and agency spend	BCC IA	Q2
Debt management	BCC IA	Q2
Accounts Payable (data analytics check)	BCC IA	Q2
Sickness and absence management	BCC IA	Q3
Capital projects	BCC IA (outsource)	Q3
Training compliance	BCC IA	Q4
IT Resilience	BCC IA	Q4
Review of management actions (incl eco-online follow up)	BCC IA	Sample quarterly
BCC Quarterly Waste Client Audits	BCC Client	Quarterly

This represents a significant increase in the Audit Programme for the year as was desired. We will be using several specialist providers, but we will also draw more heavily on BCC IA. This will require they stay on schedule and the BWC team delivers within their required deadlines.

For BCC IA this plan represents:

- Close out of current Audit (procurement)
- 1 Audit carried over (driver and vehicle)
- 6 Full Audits (business plan, capital projects, overtime & agency, debt management, sickness & absence, training compliance)
- 1 outsourced audit via. BCC IA (IT resilience)
- 1 data analytics run (Accounts Payable)

- Sample of management actions

In addition to the work outlined above, BWC ARAC will collaborate with BCC IA on the proposed work BWC are planning on doing in relation to cultural audits (2nd Line). This will be discussed in more detail at the next ARAC.

In order for the ARAC, Board and Shareholder to have confidence that the areas requiring follow-up post governance changes/whistleblowing have been appropriately covered, below is a draft of the 3rd Line Plan for 2024/25. This is work in progress.

2023/24 3rd Line Audit Plan – Work in Progress Draft

Audit	Provider	Timing
Expenses Audit	BCC IA	Q1
HRRC/Transfer Station/Weighbridge Control	TBD	Q1
Code of Conduct	BCC IA	Q1
External audit/report and accounts	PWC	April - Jul
ISO 45001 H& S Management Systems	Approachable	July, Dec
ISO 14001 Env Management Systems	Approachable	July, Dec
ISO 9001 Quality Management Systems	Approachable	July, Dec
CCTV Policy Adherence	TBD	Q2
Financial Delegations/Controls/Budgetary Control	BCC IA	Q2
Cybersecurity/GDPR	TBD	Q2
Performance Management	BCC IA	Q2
ISO 27001/BS15713 Info Security/Destruction	QSL	August, Feb
Surveillance Visit	NSI	August, Feb
Fraud Risk Assessment Controls check	TBD	Q3
Commercial Revenue	BCC IA	Q3
Complaints – management and resolution	BCC IA	Q3
BCP	BCC IA	Q4
Accounts Payable	BCC IA	Q4
Review of management actions (incl eco-online follow up)	BCC IA	Sample quarterly
BCC Quarterly Waste Client Audits	BCC Client	Quarterly

4. Risks

The whole purpose of the plan is obviously to ensure that mitigating controls for Principal Risks are adequate and working effectively.

In terms of risks to delivery of the above plan:

- it represents a significant increase in the number of audits for BCC IA to deliver whilst ensuring no compromise to quality of outcomes;
- the BWC Executive team are extremely stretched with the delivery of an ambitious business plan and starting the 2024/25 budget/business planning process. They will need to ensure that appropriate resource is deployed from their teams in support of the audits;

- the ARAC Chair will be leaving BWC within the period covered by the plan. A meaningful handover and smooth transition the new Chair will be required.
- With only 4 – 5 scheduled ARACs a year, certain activity will need to occur by email circulation in between meetings. The ARAC members will need to be diligent in using their additional days (the 5 over the 4-5 meeting days) to provide meaningful input and feedback within the deadlines requested.

5. Resource Implications (Financial / Value for Money Considerations / Staffing)

Resource implications are considered within the risks above. It should be noted that currently the ARAC Chair is doing a lot of work to support an already stretched executive to deliver against ARAC requirements. Discussions are ongoing between the Board and BCC in relation to the required investment into the business to keep the momentum behind improved governance.

In terms of financing the plan outlined above, the audits carried over have been accrued for, an increase in the budget for internal audit has been factored into the next business plan and the Board is discussing the balancing investment required with the shareholder.

6. Legal / Regulatory Implications (if any)

Assurances in relation to controls related to legal and regulatory compliance are a feature of the plan.

Further, outcomes of the various audits may result in further legal or regulatory considerations.

7. Customer Engagement and Impact

Assurances in relation to service delivery are a feature of the plan.

A specific audit in relation to Complaints Management and Resolution is factored in for 2024/25 and a deep dive into this area has been factored into the current year forward plan.

8. Equality and Diversity

There are no known impacts in relation to EDI resulting from the audit plan. It is recognised that a specific audit in this area needs to be part of the 3-year view, it will take place in 2025/26.

REPCO will be reviewing compliance in relation to this area on an ongoing basis and the board has regular deep dives (next planned for August).

9. Health & Safety

Assurances in relation to adequacy and effectiveness of controls put in place to manage Health and Safety risks are a key factor of the 2023/24 Audit Plan.

10. Data Protection/ Data Integrity

Assurances in relation to adequacy and effectiveness of controls put in place to manage Data Security and Cyber Security risks are a key factor of the 2023/24 Audit Plan.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Review of Bristol City Council’s compliance with the CIPFA Financial Management Code 2022/23

Introduction

The CIPFA Financial Management (FM) code sets the standards of financial management for local authorities. It is designed to support effective practice in financial management and to assist local authorities in demonstrating their budgetary sustainability.

The code complies with other legislation and associated CIPFA codes and is evidence of compliance with statutory and professional frameworks. All local authorities are required to demonstrate full compliance with the Code by 31 March 2022 or provide a full explanation relating to areas of non-compliance.

Demonstrating compliance with the CIPFA FM Code is a collective responsibility of the elected mayor, members, the Chief Finance Officer and their professional colleagues in the leadership team.

This report is a self-assessment and review of the Council’s compliance with the standards as set out in the FM Code. It documents detail of what is expected within the standard. It also records evidence of areas of compliance, non-compliance and documents any further actions required to meet and/or improve current processes in place. This report is to be considered alongside the 2022/23 Annual Governance Statement (AGS).

Principles of good financial management

The code is a principle-based approach. There are six principles:

1. Leadership
2. Accountability
3. Transparency
4. Standards
5. Assurance
6. Sustainability

The six principles are translated into seventeen Financial Management standards (denoted from A-Q) as shown in **Error! Reference source not found.**

Assessment of compliance

Appendix A sets out our self-assessment of the Council’s ability to demonstrate that it meets the requirements of the FM Code. Each of the seventeen standards have been assessed against the following definitions:

Assessment	Description
5	Achieves Best Practice
4	Substantial Compliance / Minor Areas for improvement
3	Reasonable Compliance / Some Areas for improvement
2	Minimum Compliance / Significant Areas for improvement
1	Does not meet requirements of code

Summary

Overall, the Council’s self-assessment shows a **reasonable level of compliance** with the underlying principles of the FM Code and demonstrates financial sustainability. The current self-assessment rating attributed to the six principles and seventeen financial management standards is illustrated in Figure 1. The following 5 themes have noted improvements following actions implemented during the last year:

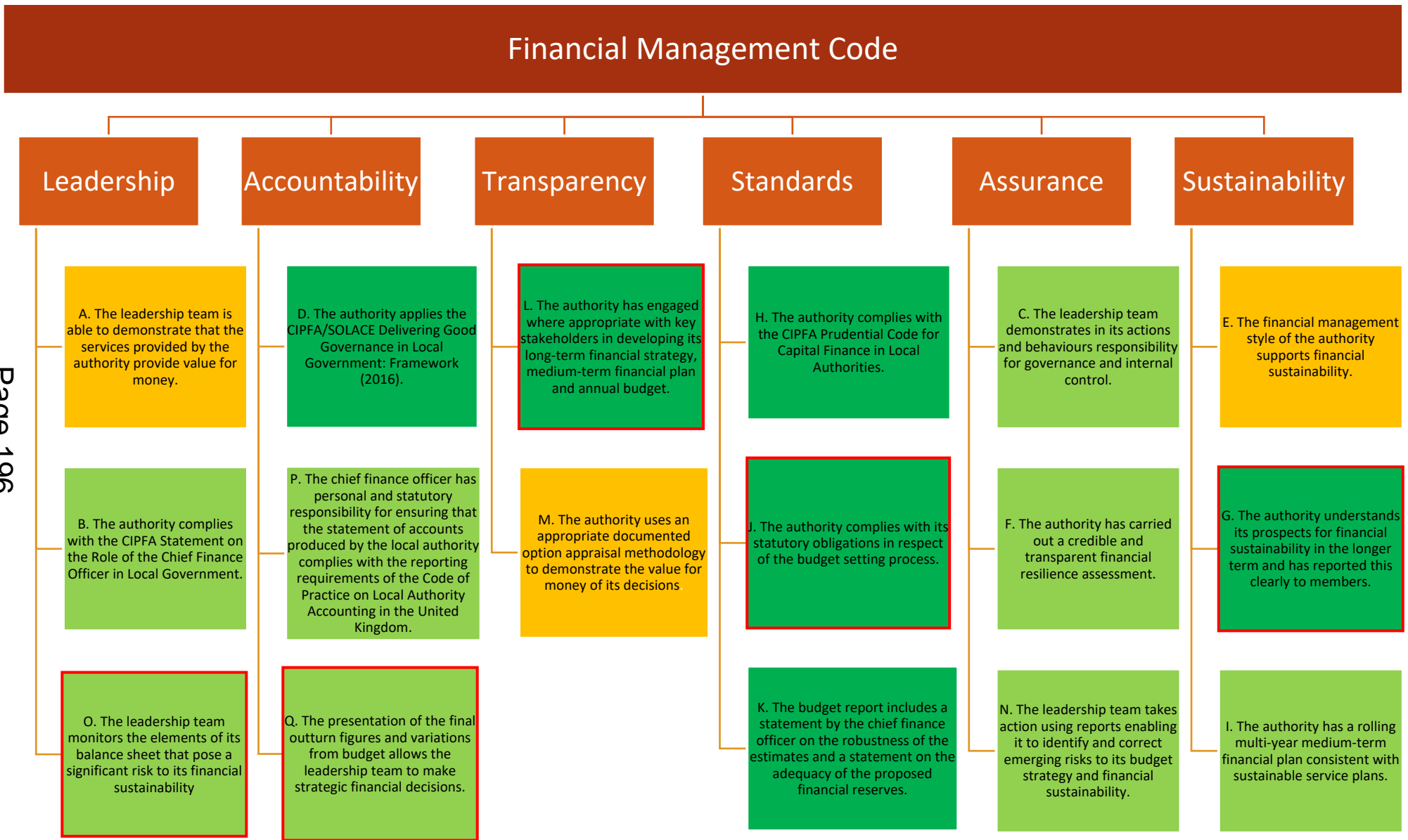
Ref	Item	Previous Rating	Current Rating
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	Light Green	Dark Green
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Yellow	Light Green
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan, and annual budget	Light Green	Dark Green
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	Yellow	Light Green
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	Yellow	Light Green

We recognise that more could be achieved to improve **across the six principles**, particularly in the following areas:

- Leadership
- Transparency
- Sustainability

The Council has developed a set of actions to achieve this, some of which may be over the medium term, and these are outlined in the final column (Improvement Areas) of Appendix A.

Figure 1.



Appendix A

Section 1: The responsibilities of the chief finance officer and leadership team.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
<p><u>A. The leadership team can demonstrate that the services provided by the authority provide value for money.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team? 2. Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services? 3. Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved? 	<p>Exploring VFM, and principles of VFM as the four pillars of economy, efficiency, effectiveness, equity.</p> <p>Promote VfM through:</p> <ul style="list-style-type: none"> • A clear governance structures. • Scrutiny arrangements - audit arrangements (remit for VfM). • Corporate plan. • Annual budget detailing plans to deliver strategy. • Financial regulations. • Procurement regulations. • Contract management regulations. • Systematic approach to identifying and managing risk. • Compare VfM with others (efficiency reviews, benchmarking, peer review, monitoring of performance data, service reviews, user surveys, external assessments). 	<ul style="list-style-type: none"> • The Council operates under a Mayoral model supported by Cabinet (the Executive). • The Executive are supported by the Corporate Leadership Board (CLB), which is headed by the Council's Chief Executive. • The Executive and CLB are collectively responsible for ensuring high performance and VFM in the delivery of Council services. • Bristol holding Limited (BHL) hold the controlling shares and provides oversight of the Council's subsidiary companies. • The Councils Shareholder group (SHG) is underpinned by a term of reference and is chaired by the Shareholder Representative (Deputy Mayor, Cabinet member for City Economy, Finance, Property and Culture for the Council) and supported by the Council's Strategic Client. • BHL & SHG forms part of the overall governance arrangements for the Council and maintains effective 'line of sight' and accountability arrangements for Council subsidiaries. • The Council's external auditors conduct a VFM review as part of their annual work. Under the new Code of Audit Practice, the categorisation for the Council's 21/22 & 22/23 VfM external audit assessment is as follows: <ul style="list-style-type: none"> • Financial sustainability • Governance • Improving economy, efficiency and effectiveness 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability</p> <ul style="list-style-type: none"> • Implementation of the approved DSG deficit management plan • Contain expenditure and deliver savings on a recurrent basis • Monitoring of non-cashable benefits on ASC Transformation • Secure the best operating model it can for Bristol Beacon <p>Governance</p> <ul style="list-style-type: none"> • Update shareholder agreement and articles of association <p>Improving Economy, Efficiency and Effectiveness</p> <ul style="list-style-type: none"> • Improve procurement compliance / contract breaches • Strengthen the partnership register. <p>Outstanding recommendations from previous VFM reports will be concluded.</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
	<ul style="list-style-type: none"> Equity – equality impact assessments, engagement with service users and voluntary organisations. <p>Demonstrate Vfm:</p> <ul style="list-style-type: none"> Overview of governance arrangements. Details of savings achieved. Results of surveys. Address in narrative reports or AGS in financial statements. Provide info via its website on Vfm. <p>Delivery VFM in services delivered by alternative mechanisms:</p> <ul style="list-style-type: none"> Outsourcing. PFI. trading companies. Maintain effective ‘line of sight’ accountability arrangements (governance, progress monitoring). 	<ul style="list-style-type: none"> The external Vfm audit assessment identified 3 significant weaknesses, with 4 Key Improvement and 12 Improvement Recommendations, where improvements could be made to the arrangements in place at the Council. In addition, there are a few in progress or outstanding recommendations from 20/21 and 19/20 for implementation. These are now either progressed or are in process of implementation. The Policy and Budget Framework Procedure rules, within which the Council operates (last approved by Council Dec 2019). The following strategies and policies are in place and designed to directly and or indirectly promote and deliver VFM: <ul style="list-style-type: none"> Corporate Strategy (Nov 2021) Annual Business Plan and Performance Framework (Apr 2022) Medium Term Financial Plan (Oct 2022) Capital Strategy (Oct 2022) Financial Regulations, management standards and budget scrutiny and improvement protocol (Feb 2023) Financial Scheme of Delegation (Feb 2023) Risk management assurance policy (Jan 2019, reviewed Mar 2021) Procurement & Contract Management Strategy (Apr 2023) Procurement rules and procedural notes (Aug 2021) Pro-contract contracts register (Mar 2022) Social Value Policy and measures (Feb 2021) Ethical and Equitable Investment Policy (Jan 2022) Healthy and Sustainable Procurement Policy (Refreshed Apr 2023) 		<p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> Update the following: <ul style="list-style-type: none"> Value for Money strategy, guidance and toolkits. Commissioning / Decommissioning guidance and toolkits

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
		<ul style="list-style-type: none"> Equality & Inclusion Policy and Strategy (Refreshed 2018) Monitor delivery of business plan. Benchmarking information is used to compare our service/financial. Performance to other authorities and introduction of Power BI. Delivery Executive to oversee the delivery of savings and capital projects. Dedicated resource for monitoring and reporting on the PFI contracts. Monitoring and reporting of procurement compliance. An appropriate level of care is taken to ensure the Council's policies and procedures comply with all relevant codes and legislative frameworks and identified noncompliance recorded and reported in line with scheme of delegation. Where these arrangements need to be updated and or enhanced these are outlined in the Areas for Improvement section. All investments (both revenue and capital) are evaluated to consider the value to the Authority and the due diligence forms part of the decision-making process. 		
<p><u>B. The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.</u></p> <p>Key Questions:</p> <p>1. <i>Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on,</i></p>	<p>5 Principles:</p> <p>Principle 1: Key member of the leadership team.</p> <p>Principle 2: Actively involved in all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered and aligned with the</p>	<p>The Director of Finance is the Authority's CFO / s151 Officer and is a professionally qualified accountant with significant experience. The Council complies with CIPFA's Statement on the Role of the Chief Financial officer in Local Government.</p> <ul style="list-style-type: none"> The Director of Finance, reports to the Chief Executive, holds regular finance meetings with the Cabinet member with responsibility for Finance, Council member representative on the Pension Board and is a member of the Corporate Leadership Board, Mayors Strategic Board and Cabinet Board. These forums provide sufficient 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability</p> <ul style="list-style-type: none"> Monitor Staff Turnover levels in Finance.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
<p><i>all material business decisions?</i></p> <p>2. <i>Does the CFO lead and champion the promotion and delivery of good financial management across the authority?</i></p> <p>3. <i>Is the CFO suitably qualified and experienced?</i></p> <p>4. <i>Is the finance team suitably resourced and fit for purpose?</i></p>	<p>authority’s overall financial strategy.</p> <p>Principle 3: Lead the promotion and delivery of effective financial management.</p> <p>Principle 4: Lead and direct a finance function that is resourced to be fit for purpose.</p> <p>Principle 5: The CFO in a local authority must be professionally qualified and suitably experienced.</p>	<p>opportunities for the Mayor, Executive and Senior leaders to have oversight of financial matters, collective leadership and the Director of Finance involvement in developing and implementing strategy.</p> <ul style="list-style-type: none"> • The Director of Finance networks externally and works closely with other Local Authority S151 Officers. • The Director of Finance is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation’s financial strategy. • The Director of Finance ensures the financial statements are appropriately prepared and that they give a true and fair view. • Effective financial management is promoted throughout the whole Council through, regular communication, business partnering approach, ensuring finance is prioritised throughout governance procedures, and regular financial reporting to Executive Director Meetings (EDM), CLB, Cabinet Member Briefings (CMB), Cabinet, Council, Scrutiny commission and Audit Committee. • Business Partners attend EDM, Finance is represented on internal governance boards and all managers with budgetary responsibility receive training and regular one-to-one meetings with a member of the Finance team. • The Finance function is resourced to meet business needs via a blend of permanent and interim staff, with a strategic partner who can provide specialist knowledge and resources to act as reach back capacity and support for high-risk or complex areas. Advisory services are commissioned for areas such as pensions, valuations and Tax. A programme for professional qualification is in place 	<p style="background-color: #92d050;"></p>	<p>The Council will implement the following Council identified improvements:</p> <p>Work continues to evolve around the structure of the resources within the finance team, with continued focus on ‘right sizing’ the function, recruitment to vacant senior posts and retention of staff, to provide capacity and resilience in meeting business, audit and governance demand, the complexity of solutions required and to achieve best value for money.</p> <p>CIPFA state that however the pensions operations of the administering authority are delivered, the CFO should maintain oversight and control and be the “intelligent client” of the fund. Improvements have been made in this regard however there is still a requirement to ensure there is a documented line of professional accountability for the day-to-day administration of the fund.</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
		<p>and appropriate members of the team are either qualified or actively studying for a qualification.</p> <ul style="list-style-type: none"> • A training needs analysis is undertaken annually by the Head of Service for all Finance staff and L&D Plan developed. • Corporate finance Team actively engages in government / CIPFA consultation to ensure the Councils views are represented. • Financial implications are considered within all key decision making and is signed-off by a senior finance officer. • Sound financial management, reviewed against CIPFA resilience index and comparative data. • Report to the Audit Committee on pension related matters flowing from the Triennial Review and engaged members in relation to the pension Fund investment strategy. 		

Section 2: Governance and financial management style.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.</p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Does the leadership team espouse the Nolan principles? 2. Does the authority have in place a clear framework for 	<p>Governance structure (terms of reference, delegation scheme, conduct at meetings). A constitution that is transparent and accessible to the public.</p> <p>Clear arrangements for assurance and accountability:</p> <ul style="list-style-type: none"> • internal audit planning and reporting • risk management • effective audit committee 	<p>Governance structure:</p> <ul style="list-style-type: none"> • The Council's constitution is openly available on the Council's website and sets out; what powers are delegated to the cabinet, Committees, individual members and what matters are reserved for collective decision of the council, and the procedures to be followed to ensure that decisions are taken efficiently and transparently. This is reviewed annually through a constitution working group and updated accordingly. • Scheme of delegation sets out roles and responsibilities, links to departmental schemes and sets clear arrangements for internal control and role of internal and 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Governance</p> <ul style="list-style-type: none"> • Work closely with WECA to improve governance • Learning from key projects – Bristol Beacon • Clearly document risk relating to client function

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>governance and internal control?</i></p> <p>3. <i>Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?</i></p> <p>4. <i>Does the leadership team espouse high standards of governance and internal control?</i></p> <p>5. <i>Does the leadership team nurture a culture of effective governance and robust internal control across the authority?</i></p>	<ul style="list-style-type: none"> recommendations from external auditor acted upon promptly <p>Ensuring high standards of governance and internal control:</p> <ul style="list-style-type: none"> Code of conduct for leadership team -register of interests. Constructive challenge (audit, scrutiny and oversight committees, stakeholder engagement). Realism bias (robust analysis of data, evidence-based savings, robust decision-making procedure). Balanced decision making between desired social outcome and financial resources, and admin efficiency. <p>Culture of good governance (continuous improvement, reward good behaviours in performance monitoring).</p>	<p>external audit. Reviewed at least annually in the light of legal and organisational changes.</p> <p>Clear arrangements for assurance and accountability:</p> <ul style="list-style-type: none"> Effective internal audit service compliant with Public Sector Internal Audit Standards (PSIAS) Audit Committee complies with best practice as defined by CIPFA in terms of terms of reference, membership (including 2 independent members) and the undertaking a continuous cycle of training. The system of internal control is designed to manage risk to a reasonable level based on continuing processes designed to: <ul style="list-style-type: none"> identify and prioritise the risks that could prevent us from achieving our policies, aims and objectives. assess how likely it is that the identified risks will happen, and what will be the impact if they did; and manage the risks efficiently, effectively, and economically. Improved trajectory in the implementation of internal audit recommendations and external audit recommendations are acted on promptly- evidenced in reports to Audit committee / Council. <p>Ensuring high standards of governance and internal control:</p> <ul style="list-style-type: none"> Scrutiny commissions hold the Executive to account for the decisions that are made. Scrutiny Commissions meet on a regular basis throughout the year, review service and financial performance. Scrutiny is also carried out through more informal mechanisms such as task and finish groups and scrutiny inquiry days. Annual Scrutiny report is produced for the Full Council (May 2023), outlining achievements over the past year and priorities for the year ahead. 		<p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> Refresher training has been completed for some key officers in areas such as procurement on the approach in managing positive disclosures and conflict of interest policies / protocols. The intent for 23/24 is to roll out a programme at all levels across the organisation. Integrate performance and financial information with a focus on monitoring and achieving continuous improvement through a dashboard at divisional level by Service lead to ensure strong accountability and internal control is embedded.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
		<ul style="list-style-type: none"> • We are defined by how we behave and what we do, driven by clear values and behaviours; dedicated, collaborative, curious, show respect and take ownership as well as key to the way we recruit and develop colleagues. • Arrangements are in place to provide assurance that our behaviours are being upheld and that members and officers demonstrate high standards of conduct. These include: <ul style="list-style-type: none"> • Member and officer protocol • Codes of conduct for members and officers. • Whistleblowing policy • Complaint’s procedure • Fraud, Bribery and Corruption Policy & Strategy • Registers of interest (members and officers) • Registers of gifts and hospitality • The Financial Regulations makes clear the responsibilities of Executive Directors to ensure action is taken to contain spending with cash limits set by Council. However, in the event of additional resources being required, a supplementary estimate protocol sets out the process and responsibilities for approving additional resources. • There is a rigorous departmental budget challenge process, refined budget remit and review of budget options. <p>Culture of good governance:</p> <ul style="list-style-type: none"> • Communicating shared values with members, staff, the community, and partners, • Celebrating success / extra mile • Staff performance outcomes linked to delivery of council commitments. • Performance management system and appraisals • Equality Impact Assessments are completed as part of implementing changes to policies, activities, and services 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
		<p>and cumulative impact assessments where multiple change is being considered to ensure clarity is provided in relation to any disproportionately impact and mitigations are considered for those with protected characteristics.</p> <ul style="list-style-type: none"> The Council recognises that effective local government relies upon maintaining the confidence of the public in both the elected Members and Officers of the Council. The Council continues to consult with the public and keep under review Governance arrangements and related procedures to ensure best practice so that the highest standards are maintained. 		
<p><u>D. The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> <i>Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements?</i> <i>Does the authority have in place a suitable local code of governance?</i> <i>Does the authority have a robust assurance process to support its AGS?</i> 	<ul style="list-style-type: none"> Assess governance structures, maintain the local code of governance, report publicly on compliance with the code and how plans to improve (undertake in AGS). Adherence to the Principles of the good governance framework in the CIPFA code. Adherence to ethical codes and the rule of law. Openness and stakeholder engagement. Sustainable economic, social and environmental benefits. Achievement of intended outcomes. Capability and capacity within an organisation to achieve this. 	<ul style="list-style-type: none"> The Council has a clear framework for governance and internal control. Approved and adopted Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). Annual governance statement demonstrates adherence to CIPFA code and needs to be read alongside the Council's constitution. The AGS is reported to the Audit Committee. Heads of Service, Directors and Executive Directors review and assess annually the governance and assurance arrangements of their departments with reference to departmental risk registers, audit reports and internal and external updates for the AGS. Statutory officer reports are also considered for the AGS including this self-assessment. The AGS details achievement of objectives, capability and capacity. The sustainability of resources, identifies risks and mitigations to identified risks. It includes an internal audit assessment of governance arrangements in place and an Annual Audit opinion reported to Council. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> Managing risks and performance. Transparency, reporting and audit. 	<ul style="list-style-type: none"> Induction training for all new Members, following the May 2021 elections, included a focus on governance, code of conduct and officer/member relations. Induction training for all members of the Schools Forum All limited assurance audit reports and recommendations are considered by the Corporate Leadership Board and where appropriate the Audit Committee are informed of the leadership team's response verbally or in writing. Our information management framework sets out how we manage information and keep them secure and consists of: <ul style="list-style-type: none"> Information Management Strategy Responsibilities Governance Structure Effective policies and Communication and training A risk management assurance framework is in place to ensure effective risk management processes are in place with regular reporting to EDM, CLB, CMB, Cabinet, Scrutiny and Audit Committee. 		
<p><u>E. The financial management style of the authority supports financial sustainability.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> <i>Does the authority have in place an effective framework of financial accountability?</i> <i>Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?</i> 	<p>Robust approach to ensuring financial stability, able to plan for and have appropriate skills and training to deliver:</p> <ul style="list-style-type: none"> Changes in LG funding Ageing population Pressures of adults and children's social care Greater efficiency in response to resource constraints Demand for affordable housing 	<ul style="list-style-type: none"> Robust financial management framework in place, which reflects the golden thread from One City Plan, Corporate Strategy, Medium Term Financial Plan (MTFP) & Capital Strategy (CS), Annual Budget, (underpinned by Constitution, Policy and Budget Procedure Rules, Financial regulations; scheme of delegation Procurement Regulations, risk management assurance policy), in year monitoring and Statement of Accounts. The finance service adopts a business partnering approach and finance attend divisional management team meetings on a regular basis and part of weekly Executive Director Meetings. 		<p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> Integrate performance and financial information as outlined in section C above Further improvement to consistency is required in the approach to recording and thereafter reporting key decisions taken under urgency. Development of a Savings Framework is underway to improve

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>3. <i>Does the authority's finance team have appropriate input into the development of strategic and operational plans?</i></p> <p>4. <i>Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so?</i></p> <p>5. <i>Has the authority sought an external view on its financial style, for example through a process of peer review?</i></p> <p>6. <i>Do individuals with governance and financial management responsibilities have adequate delegated powers and appropriate skills and training to fulfil these responsibilities?</i></p>	<ul style="list-style-type: none"> • New risks with commercialisation • The style of financial management team and leadership that enables transformation of services whilst maintaining accountability and supporting performance of services -requires leadership that focuses on strategic direction and sets the correct tone (accountable, supports performance through MTFS) -people with the correct competencies (business partnering, budgets robust on accrual basis, accurate financial transactions, reporting and forecasting accurately). <ul style="list-style-type: none"> • Processes that support strategy -stakeholder relationships (evidence to external stakeholders of integrity and performance). • Peer review gives the best assessment of financial management style. 	<ul style="list-style-type: none"> • Annual Budgets and Savings are verified by Directors for their respective divisions and directorate cash limits are agreed. Regular meetings are held with budget holders as part of the in-year monitoring process to ensure financial implications of decisions are understood and that managers are responsible for those decisions. • Detailed financial forecast and monitoring information is provided to Cabinet so that there is regular oversight of the Council's financial position and of the ongoing funding pressures it faces. • A robust process is in place for the tracking and monitoring of agreed savings, and this is overseen by the Delivery Executive and updates reported within financial monitoring reports. • Internal governance boards are in place for major projects, transformation and capital programmes. Each board has a term of reference, finance representation and has oversight responsibility for the work that the project team is carrying out, ensures that policies are adhered to and is accountable for the successful delivery of the project. • Learning and development plans, including professional qualification training are included in the annual service plan and the Council has a corporate subscription to CIPFA and regularly attends professional updates and training. • Decision Pathway is available online to explain the internal organisation governance route for: <ul style="list-style-type: none"> • Corporate decisions (EDM, CLB, SPB) • key decisions (Cabinet) • non-executive (Full Council or relevant committee) • Officer Executive Decisions (OED) that involve spending £100,000 - £499,999 are published on the website. 		<p>clarity on savings management and monitoring.</p>

Section 3: Long to medium-term financial management.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>F. The authority has carried out a credible and transparent financial resilience assessment.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Has the authority undertaken a financial resilience assessment? 2. Has the assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios? 3. Has the authority taken appropriate action to address any risks identified as part of the assessment? 	<p>Financial resilience assessment:</p> <ul style="list-style-type: none"> • The authority must explore the sensitivity of its financial resilience to alternative plausible scenarios for key drivers of costs, service demands and resources, focusing on the LT. • Assessment needs to be credible (undertaken by a qualified and experienced person/team, independent of the authority itself with evidence from interviews and documentation) A. • Assessment needs to be transparent (overseen by the authority leadership team or committee; terms of reference; clear report and recommendations). <p>Factors within the assessment statement:</p> <ul style="list-style-type: none"> • Getting routine management right (annual budget, assigning to budget holders, regular budget monitoring and actions to address variations, reported to senior management). 	<ul style="list-style-type: none"> • A 'going concern' assessment is carried out annually as part of the Annual Accounts, which is reviewed by the External Auditors as part of an audit, confirming in 2020/21 that the Council is a going concern. • Financial resilience is tested against various scenarios within the MTFP, CS and budget, including an assessment of the metrics within the CIPFA resilience index and action taken to address the challenges. • Scenario planning and budget risk assessment is undertaken during the review of the medium terms financial plan, including sensitivity analysis to key planning assumptions. • Capital affordability thresholds are in place for the general fund, HRA and loans to third parties including the council's subsidiaries. • The Council as a policy on the minimum level of reserves. A general and resilience reserve is available to manage one-off unforeseen pressures, risks identified in the risk assessment of the medium terms financial outlook and expected reductions in future local government funding. • Useable reserves indicate a safe position. However, the forecast DSG deficit and implications of Adult Social Care reforms present a significant risk in the medium term. • There is an established central process for tracking and reporting on savings delivery, analysing savings against 4 categories, secured and delivered, safe budget to be removed from budget, no plan, clear plan but considered deliverable, no plan and considered at risks. Savings delivered are further categorised as recurrent and non – recurrent. The risk is considered in the 		<p>The Council will implement the following Council identified improvements:</p> <p>Further embed the use of the new Capital liability benchmark toolkit in considering the effects on the Council's budgets and inform strategic decision making.</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> • <i>Planning and managing capital resources well (capital strategy, asset management plan, regular reporting).</i> • <i>Using PM effectively. (Benchmarking with other LAs; national data; internal performance information; peer review)</i> • <i>Having clear plans for delivering savings (single central record of consolidated plan for savings, categorised by extent agreed/planned/achieved; challenge from finance staff; oversee implementation).</i> • <i>Managing reserves well (policy on the level of reserves and how they are to be used; use reserves for future activities and savings implementation and not to plug funding gaps).</i> • <i>Carry out credible and transparent financial resilience assessment gives a prescriptive list of scope of assessment, documentation and relevant key.</i> 	<p>budget setting and regular consideration of deliverability throughout the course of the year, with a need to change and adapt to undelivered savings.</p> <ul style="list-style-type: none"> • Early in year review of financial outlook is undertaken to prompt and highlight early pressures and mitigations that might be required. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?</i> 2. <i>Does the authority have a strategic plan and long-term financial strategy that adequately address these risks?</i> 3. <i>Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g., using a technique such as scenario planning)?</i> 4. <i>Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these on short and</i> 	<p>Strategic Planning</p> <ul style="list-style-type: none"> • Authorities to set up long-term strategic planning usually over a rolling period of five years. This plan will set out the authorities' vision and how it plans to achieve its vision. • Alongside this, there will be a financial strategy (which could be part of the strategic plan) which focuses on how the authority will finance their aims, strategies and activities set out in the strategic plan. • Up to ten years is a reasonable horizon for longer-term financial planning at a significantly reduced level of detail. <p>Financial Strategy</p> <ul style="list-style-type: none"> • There are a broad range of factors that affect the authority's long-term financial success. • Balance of the authority's sources of income and exposures to volatile income streams. 	<ul style="list-style-type: none"> • The Council has a rolling 5 year MTFP and 10-year Capital Strategy which sets out the key financial principles and reflects the main risks to sustainability, which is refreshed at least twice a year. • The MTFP / Capital Strategy and Budget are agreed by the Full Council and reported on throughout the annual financial cycle in monitoring reports to various forums. • The Council has developed a DSG deficit management plan, designed to focus on providing clear information on the pressures and potential savings on the High Needs Block budgets over the coming years, where the Council will work towards operating with in-year balanced budgets. The DMP is a live model regularly updated and reported to Bristol's School Forum meetings and high needs subgroups. • The Council's long-term investments in its subsidiary companies have robust governance arrangements as set out above. In addition, a summary of the exposure and key financial risks associated as set out as an appendix to the annual budget report. • The Council has an established scrutiny process which meets regularly throughout the year to engage and input into development of the medium-term financial plan and budget. • Finance training was provided to all members in 2021 and updates provided to all members as part of the medium-term financial planning and budget setting process. • Twice a year, as part of the Medium-Term Financial Plan and Capital Strategy, and Annual Budget, member briefings are undertaken with all members to explain the key assumptions and risk areas in financial planning. 	<p style="background-color: green; color: white; text-align: center;">G</p>	

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>medium-term decision making?</i></p>	<ul style="list-style-type: none"> • Authorities cost base and to what extent costs are fixed, stepped or variable within a timeframe considered. • Asset Management priorities • Capital Programme • Policies, procedures, financial systems and processes • Relationship with key stakeholders. • The development of longer-term financial strategies can be characterised by the use of Scenario planning in contrast to forecasts. This should represent plausible scenarios and reject extreme scenarios. • Communication to Members • Authorities should communicate to members what financial sustainability is, its importance, and how the authority is going about realising and handling threats. 	<ul style="list-style-type: none"> • A cross party task and finish group of scrutiny receives regular briefings throughout the development of the financial plan to provide a robust challenge and input into key planning assumptions and development of the financial outlook and budget. • The council has established monitoring and reporting of organisational risks. 		
<p><u>H. The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.</u></p>	<p>Capital Strategy</p> <ul style="list-style-type: none"> • There should be a capital strategy in place that sets out the long-term context in 	<ul style="list-style-type: none"> • The Council approve an updated rolling 10 year Capital Strategy each year alongside the Medium-Term Financial Plan, with the recent update approved in December 2021. This allows key links between revenue 		<p>The Council is implementing the recommendations outlined in Grant Thornton’s report as follows:</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Has the authority prepared a suitable capital strategy?</i> 2. <i>Has the authority set prudential indicators in line with the Prudential Code?</i> 3. <i>Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?</i> 	<p>which capital expenditure and investment decisions are made and that gives due consideration to risk and reward and to impact on the achievement of the authority’s priorities.</p> <ul style="list-style-type: none"> • The capital strategy should address key themes within <p>Capital expenditure:</p> <ul style="list-style-type: none"> • Overview of the governance process regarding capital expenditure with links to the authority’s policies on capitalisation. • A long-term view of capital expenditure plans, where the long term is defined by the financing strategy of, and risk faced by the authority with reference to the life of projects/assets. • Overview of asset management planning and any restrictions the authority may face in terms of borrowing, funding, or capital finance. <p>Debt, borrowing and treasury management:</p>	<p>and capital plans to be reported together for better decision making. The Capital strategy is compliant with the CIPFA Prudential Code.</p> <ul style="list-style-type: none"> • Commercial activity and investment property, loans and liabilities are set out in the capital strategy, capital reports, the annual budget report and outturn report. • The following are approved annually by Full Council alongside the budget in February. <p>Treasury management strategy</p> <ul style="list-style-type: none"> • <i>This assesses the council’s financial risks from treasury activity, and details the council’s net borrowing position, investments, borrowing strategy and debt management.</i> • Annual Minimum Revenue Provision Statement • Capital Prudential Indicators • Investment Strategy. • Performance against the prudential indicators is reported to Council within the Treasury outturn report. • The Capital Strategy sets out key affordability principals to ensure the Council’s capital spending remains affordable in the long term. This includes the proportion of the revenue budget allocated to fund borrowing costs. • A clear approach to governance of development and delivery of Capital Investments is set out through a monthly Capital & Investment Board (CIB) and Delivery Executive (DE). • Flexible use of capital receipts – Under direction from Government the Council can use capital receipts to fund revenue transformation expenditure. A strategy is approved annually by Full Council as part of the annual budget. This includes the impact the strategy will have on prudential indicators. 		<p>Governance</p> <ul style="list-style-type: none"> • Capital Budget – reduce slippage and publish Capital Governance Improvement Plan

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> • A projection of external debt and the use of internal borrowing to support capital expenditure, provisions for the repayment of debt. • The authorised limit and operational boundary for the following year • The authority's approach to treasury management includes processes in place to ensure effective due diligence and defining risk appetites in respect of such activity. <p>Commercial activity</p> <ul style="list-style-type: none"> • Approach to commercial activities ensuring effective due diligence. • Other long-term liabilities. • Overview of the governance process. <p>Knowledge and skills</p> <ul style="list-style-type: none"> • Summary of the knowledge and skills available to the authority. • The authority should set up prudential indicators for the forthcoming and following years before the beginning of the financial year. 	<ul style="list-style-type: none"> • Monitoring of capital receipts is undertaken by Capital Investment Board on a regular basis. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> The CFO is required to establish procedures to monitor performance against all forward-looking indicators. Specify prudential indicators for capital expenditure, external debt and affordability. 			
<p><u>I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> Does the authority have in place an agreed medium-term financial plan? Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand? Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? 	<ul style="list-style-type: none"> The Medium-Term Financial Plan The MTFP is a translation of the authority's strategy into the near plan and provides a critical link between the authority's financial strategy and service delivery. For an effective medium term financial plan, it should be: <ul style="list-style-type: none"> Be integrated with the authority's service plans and its capital strategy. Respond to uncertainty in the authority's funding regime. Translate the authority's longer-term aims into the medium term. Be developed in a robust manner. 	<ul style="list-style-type: none"> The rolling MTFP is a key part of the Council's policy and budget framework and financial planning process. It is developed alongside the Capital Strategy and simultaneously approved by Council. The MTFP provides a strategic framework to meet corporate priorities, taking a forward-looking approach to the management of the Council's financial resources and achieving sustainability over the medium to long term. The MTFP plans for the delivery of services within an uncertain external environment and ensures the achievement of value for money. It provides a forecast outlook, aids robust and methodical planning, seeks to protect the financial health of the Council, considers the appropriate level of reserves that the Council holds to mitigate current and longer-term risks and ensure sustainable services, and that financial resilience can be achieved. The Finance team engages with directorates, to integrate service demand with finance reporting, using best data on cost drivers and identify any risk, opportunities, and budget gaps. The MTFP then forecasts the Council's financial position, considering known service pressures, major issues affecting the Council's finances, including global, 		<p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> The full implementation of the Corporate Landlord approach to operational property management, to ensure the effective and efficient management of property by centralising property service activities, decision making and budgets. This will ensure all property related decisions are taken from a strategic perspective and opportunities to deliver efficiencies are captured and assessed through the now established strategic estates board. Current asset management plans will be reviewed as part of the new model. Asset Management systems and plans containing condition surveys and information regarding the whole-life cost of assets need to be developed

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>5. <i>Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment, including infrastructure assets, contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?</i></p>	<ul style="list-style-type: none"> Integrate suitable drivers of demand and cost (PESTLE analysis). Be subjected to sensitivity analysis to allow any vulnerabilities to be identified (probability spread, regression analysis). <p>The asset management plan might include:</p> <ul style="list-style-type: none"> An overview of the authority's asset portfolio Assessment of the condition and performance of the assets held. The authority's priorities for maintaining, enhancing, adding to, and divesting from its asset portfolio. The actions that will be taken to achieve these priorities, together with the outputs and outcomes that are to be achieved. The resources necessary to maintain and improve the asset's portfolio and how it will be secured Timescales and responsibilities for the actions identified. 	<p>national, regional, and local economic influences, pandemic, as well as local priorities, internal / external risk factors, opportunities and concentrates on the principles that will provide a strong direction for the medium to long term.</p> <ul style="list-style-type: none"> The annual budget process is aligned with Service Planning, with wide collaboration and consultation across the Council and with members, in developing the budget. The process ensures the Council balances its budget over the medium term, identifies savings that can be made in achieving this and that service plans are developed within the cash limited budget allocated. Each lead portfolio member is closely involved in developing and setting the budget for their service areas. Risks are discussed at length as part of this process. Overall, members are presented with a good overview / understanding of the risks. The Mayor and Executive, CLB, EDM's, Budget holders and Scrutiny & Budget Task & Finish Group provide challenge within the development of the budget and capital programme and further input is provided by public consultation. Risks are considered within the MTFP, Capital Strategy, budget and quarterly risks and performance reporting to Cabinet, Scrutiny and the Audit Committee and statutory assurance reports to CLB / CMB. The Council has a strategic estates board that oversees key asset decisions which enables link to the authority's strategic aims. 		<p>over the medium term and maintained within an accessible system.</p>

Section 4: The annual budget.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>J. The authority complies with its statutory obligations in respect of the budget setting process.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> <i>1. Is the authority aware of its statutory obligations in respect of the budget-setting process?</i> <i>2. Has the authority set a balanced budget for the current year?</i> <i>3. Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?</i> 	<p>Statutory requirements regarding Budget-Setting</p> <ul style="list-style-type: none"> The Local government Act 2000 requires councils to approve the annual budget, on the recommendation of the executive or equivalent, together with the associated council tax demand. The Local Government Act 2003, Section 25 requires the S151 officer to report on the council's robustness of their estimates made in the annual budget and on the adequacy of the proposed financial reserves assumed in the budget calculations. <p>Setting a robust and sustainable budget (in accordance with Local Government Finance Act 1992) must include:</p> <ul style="list-style-type: none"> The expenditure that the authority estimates it will incur in the year in performing its functions. An allowance for contingencies in relation to this expenditure. 	<ul style="list-style-type: none"> The authority has an established process for setting a balanced budget in line with statutory obligations. The process for developing and setting the budget is clearly set out in the policy and budget framework procedure rules. The development of the budget is highly collaborative. Executive Directors hold overall responsibility for the budget of their Directorate. Informal Cabinet Board meetings are also held during the budget setting process to discuss emerging issues and any input from the Budget Task & Finish group, which meets during the budget setting process to provide additional scrutiny and challenge. There is a good level of ownership of and involvement in the budget setting and monitoring process, from budget holders, through executive directors and up to members. The MTFP / budget is scenario and stress tested including the following areas: the assumptions both from funding and cost pressures, savings planning and delivery, the impact of any changes in standard key planning assumptions such as pay awards, the outcome provides an indication of the range of mitigation requirements and levels of risk and resilience reserves. Capital Strategy, TM Strategy and flexible use of capital receipts is outlined in detail in section H above. The Council approves an annual balanced budget that enables the S151 Officer to positively comment on the robustness of the estimates and the adequacy of the proposed financial reserves (s25 assurance statement) within the annual budget report. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> The financial reserves that the authority estimates will need to raise in the year meets its estimated future expenditure Such financial reserves might be required to fund deficits generated in previous periods. <p>Implementing Spending Control</p> <ul style="list-style-type: none"> It has processes to be able to control spending in-year to balance the books in-year. 	<ul style="list-style-type: none"> The annual pay policy statement explains the Council pay policies for its highest and lowest-paid employees. It is written and published in line with the Localism Act 2011 (the Act) and guidance issued by the Secretary of State. The draft statement is considered by the Human Resources Committee and approved by full Council. An in-year budget monitoring process highlights risk and potential for overspend with an established Budget scrutiny and improvement protocol which escalates services through a three stage process for directorates which are unable to manage within their cash limits as set by Full Council. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?</i> 2. <i>Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?</i> 3. <i>Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?</i> 4. <i>Does the report set out the current level of the authority's reserves,</i> 	<p>Identify how estimates are made, e.g.:</p> <ul style="list-style-type: none"> • The level of demand for individual services. • Staff pay levels and pension scheme contribution levels. • Interest rates, likely returns on financial investments and other capital finance issues. • Pressures on major capital projects • The level of funding received through council tax and other sources. • Receipts from the sale of capital assets • The achievement of savings plans and targets. <p>The authority's financial reserves should only be used for:</p> <ul style="list-style-type: none"> • Planned investment. • Capital projects. • Change programmes. • Unexpected events such as natural disasters. • Other reasonable uses for which they have been earmarked. 	<ul style="list-style-type: none"> • The annual budget report includes a statement from the section 151 officer on the robustness of the budget estimates and adequacy of reserves. • The Council's reports progress against its savings programmes; retrospective, in year and on-going. Delivery of savings is reported to EDM's CLB, DE and included with the budget monitoring report for Cabinet and Scrutiny Commissions. • The Authority uses CIPFA benchmarking services to consider performance against other Local Authorities and Treasury Society networks, Core cities and regional UA to compare and test assumptions. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?</i></p>				

Section 5: Stakeholder engagement and business plans.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan, and annual budget.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> <i>How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan, and its annual budget?</i> <i>How effective has this engagement been?</i> <i>What action does the authority plan to take to improve its engagement with key stakeholders?</i> 	<p>In order to comply with this code, authorities are encouraged to consider the extent of stakeholder engagement in the Long-Term strategy/Medium Term financial plan and annual budget.</p> <ul style="list-style-type: none"> Identify key stakeholders Engage effectively Use the results of this engagement wisely <p>Where the authority has a good productive strategic relationship with its key stakeholders, this level of engagement may not be necessary, providing the needs of these stakeholders are sufficiently well understood.</p>	<ul style="list-style-type: none"> Wider consultation with stakeholders including City Partners through the One City Office and boards and the VCSE sector is embedded as part of the engagement around the corporate strategy that sets the organisation's vision and priorities. Consultation with stakeholders is undertaken in setting the Council, Schools, early years annual budget and capital programme, including the statutory consultation with council taxpayers and consultation with the trade union. Extensive stakeholder involvement undertaken as part of the development and implementation of service changes and major projects, with the extent of consultation required approved by Legal Services. Some of the Council's strategic aims are delivered through its wholly owned subsidiary companies. There is good monitoring and oversight over the projects and programmes being delivered by these companies. The Council is engaged with the CCG and NHS through the Health Together Integrated Care System financial framework. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication <i>Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal</i>? 2. Does the authority offer guidance to officers as to when an option appraisal should be undertaken? 3. Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options? 4. Does the authority's approach to option appraisal include suitable 	<p>Option Appraisal Methodology Understanding what the authority wants to achieve.</p> <ul style="list-style-type: none"> • Generating options. • Assessing the options. • Making the decision using CIPFAs 'Option appraisal: A practical guide for public service organisations' • Authorities also need to know when to undertake an optional appraisal - strategic importance, the time horizons, conflicting priorities, risk, and uncertainty. When considering non-financial factors in an option appraisal, including: <ul style="list-style-type: none"> • Economic appraisal • Cost-benefit analysis • Multi-criteria analysis • Impact assessments • There are a range of techniques that the authority can use to address uncertainty. Risk and uncertainty – use adjusted discounted rates to compensate for the inherent uncertainty surrounding cash flows for higher risk projects or activities. <ul style="list-style-type: none"> • Sensitivity analysis • Optimism bias 	<p>Capital Investments (as per the Capital Programme governance endorsed in the Capital Strategy) will have to produce the following three business cases for consideration by CIB</p> <ul style="list-style-type: none"> • Mandate • Outline Business Case (OBC) • Full Business Case (FBC) <p>Business case templates include the requirement for options, which is part of all projects and options are considered as part of Decision-Making templates and reported.</p> <p>The accounting treatment and impact is determined at the time of the decision</p> <p>Option appraisal complies with the principles, but this is not formally documented and not consistently applied a draft methodology has been developed for testing with a sample of business cases prior to any formal roll out / deployment.</p>		<p>The Council will implement the following Council identified improvements:</p> <p>The Council will test and deploy the developed standardised and proportionate approach to business case financial modelling, including Net Present Values, payback, benefits realisation and post project implementation delivery reviews and learning.</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>mechanisms to address risk and uncertainty?</i></p> <p>5. <i>Does the authority report the results of option appraisals in a clear, robust, and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?</i></p>	<ul style="list-style-type: none"> • Peer reviews • Post implementation reviews <ul style="list-style-type: none"> • While the authority will need to tailor the appraisal report to the needs of the particular to be made, the following elements might usefully be included: <ul style="list-style-type: none"> • Approach • Constraints • Long and short list of options • Non-financial analysis of short-listed options • Risk • Sensitivity analysis • Optimism bias • Peer review • Post-implementation review 			

Section 6: Monitoring financial performance.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>N. The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability? 2. Do the reports cover both forward and backward-looking information in respect of financial and operational performance? 3. Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data? 4. Are the reports provided to the leadership team in a timely manner and in a suitable format? 	<p>In order for the leadership team to have access to the information it needs to identify emerging risks, leadership must:</p> <ul style="list-style-type: none"> • Receive reports about the right things (planning assumptions/financial performance against budgets/risks for short medium and long-term plans/performance in implementing savings initiatives. • Receive reports at the right time (critical reports at right time). • Receive reported in the right format (clear/concise/accurate). • Takes action in respect of any issues identified (minutes as a record of action) EG Reports that allow the monitoring of financial performance against budget could include. • Budget for period under consideration. • Accruals-based income and expenditure to date. • A forecast for the remainder of the year and an estimate of the year-end position. 	<ul style="list-style-type: none"> • Divisional Management Teams (DMT) and EDMs receive monthly reports on financial position and performance, which escalate areas of concern for Directorates to consider mitigating actions within the approved directorate cash limit. • Monthly financial reporting to CLB, CMB enables an escalation of key points and, response to emerging risks and for mitigating actions to be identified. • Budget Scrutiny and Improvement deep dives is aimed at addressing services areas where financial performance is a concern and at a directorate level the net position could destabilise the council's financial position. EDM's can self-refer or be referred to the budget scrutiny and improvement meeting by CLB or DE. • Process improvements are needed to rebalance effort between production of forecast and understanding/insight and consideration of action. • Procurement and Contract management reporting, including procurement breaches, are reported to DMT, EDM, CLB and CMB. • The Council has improved the timeliness of reporting and links between financial reporting, revenue and capital, savings, and the balance sheet to ensure financial implications and financial sustainability are better understood across all elements and the Council. 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Governance</p> <ul style="list-style-type: none"> • Monthly budget reporting to clearly outline gross revenue position and provide greater depth in capital reporting. <p>Improving Economy, Efficiency and Effectiveness</p> <ul style="list-style-type: none"> • Actively monitor and review levels of unearmarked and earmarked reserves.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>5. <i>Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?</i></p>	<ul style="list-style-type: none"> • Relevant underlying service activity data. • Action to be taken to address any variation from budget. • Who to contact for further information. 			
<p><u>O. The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?</i> 2. <i>Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?</i> 3. <i>Is the authority taking action to mitigate any risks identified?</i> 4. <i>Does the authority report unplanned use of its reserves to the leadership team in a timely manner?</i> 5. <i>Is the monitoring of balance sheet risks</i> 	<p>The CIPFA publication Balance sheet Management in Public Services:</p> <ul style="list-style-type: none"> • A framework for good practice (2007) outlines a number of elements of good practice for balance sheet management from a governance perspective. • Including in organisational management, emphasis is placed on BSM activities and considerations. • BSM requirements are addressed coherently and comprehensively across all strategies and plans. • BSM responsibilities are identified and assigned to appropriate people. • The authority's decision-making framework is effective and requires appropriate consideration of balance sheet implications. • BSM has appropriate levels of assurance. 	<ul style="list-style-type: none"> • The Council has a strong balance sheet, and elements that pose a concern or significant risk to financial sustainability are regularly reported. • The CIB meets monthly and has a role in monitoring long term investments, including valuation, risk. • A monthly treasury management meeting reviews cash flow and treasury investment and borrowing position. Any risks or concerns are escalated to Director Finance and CLB if necessary. • The Treasury mid-year and outturn report details cash, investments, and borrowings decisions within the prudential indicators. Performance against the prudential indicators which are reported in the Council's Treasury outturn report. • The deficit on the DSG has been identified as a key risk and is reported on a monthly basis to CLB, Cabinet and Schools Forum. Maintained Nursery School deficits is a further area of concern and reported in the outturn report to Cabinet and Schools Forum. • A reserves strategy is approved as part of the budget/MTFP and compliance with the minimum level of reserves and the impact of in-year financial performance on the Council's reserves and balances is monitored in the quarterly performance report. • Other potential key risk areas of the balance sheet such as contingent liabilities and the Pension Fund have been 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<i>integrated into the authority's management accounts reporting processes?</i>	<ul style="list-style-type: none"> Financial and operational risk management activity pays due regard to balance sheet drivers and its impact. <p>In order to comply with the FM code authorities:</p> <ul style="list-style-type: none"> Determine which elements in the balance sheet pose a significant risk to its financial sustainability. Monitor these elements (treasury management/cash management/need for new provisions/level of reserves). Respond promptly and proactively to any issues that these mechanisms identify (impact of performance on reserves/use of unplanned reserves/monitoring against prudential indicators). 	<ul style="list-style-type: none"> identified and reporting routinely captured as part of regular finance reporting. Approval requested and received from the Schools Forum for the development of an appropriately resourced programme to transform maintained nursery schools and address the challenges including the deficits. 		

Section 7: External financial reporting.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<u>P. The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local</u>	<p>External Financial reporting</p> <ul style="list-style-type: none"> External financial reporting processes require statutory accounts to be produced on an annual basis in accordance with: 	<ul style="list-style-type: none"> The Director of Finance (S151 Officer) is responsible for ensuring that the statement of accounts produced by the Council complies with the reporting requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom". The operational responsibility for production of the Statement of Accounts, in line with proper accounting practices, rests within the Strategic Finance Team. The 		<p>The Council will implement the following Council identified improvements:</p> <p>As per section 1 (B) above - The Director of Finance, continued focus will be on 'right sizing' the function,</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>Authority Accounting in the United Kingdom.</u></p> <p>Key Questions:</p> <p>1. <i>Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?</i></p> <p>2. <i>Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?</i></p> <p>3. <i>How the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?</i></p>	<ul style="list-style-type: none"> • The Accounts and Audit Regulations 2015 for English Authorities. • Comply with Code of practice • Comply with CIPFAs statement on the role of the CFO in Local government accounting policies/prevention of fraud/reasonable estimates. • Demonstrate compliance-preparation and submission of accounts in CFO JD and annual performance targets/ submitted on time/finance team resourced to comply. 	<p>Director of Finance has management responsibility, through the Chief Accountant, for the Strategic Finance Team and personal objectives are cascaded using a golden thread.</p> <ul style="list-style-type: none"> • The annual accounts have been prepared in line with the statutory requirements and comply with CIPFAs code of practice on a timely basis. • The annual accounts are reviewed and signed by the Director of Finance (S151 Officer). • The financial statements routinely receive an unqualified opinion from the external auditors and the number of adjustments identified between draft and final accounts has reduced significantly in recent years. • Compliance with the role of the CFO in local government is covered in section 1 (B). 		<p>recruitment to vacant senior post and retention of staff, to provide capacity and resilience in meeting business, audit and governance demand, the complexity of solutions required and to achieve best value for money.</p> <p>Outstanding audits of statement of accounts will be concluded.</p>
<p><u>Q. The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.</u></p> <p>Key Questions:</p> <p>1. <i>Is the authority's leadership team provided</i></p>	<p>Presenting effective financial outturn information:</p> <ul style="list-style-type: none"> • Accurate • Relevant • Granular • Analysed • Put into context 	<p>The outturn report to CLB and Cabinet provides an analysis of the financial position of the organisation at the end of the financial year including:</p> <ul style="list-style-type: none"> • Capital and revenue performance during the financial year. • Explanations and mitigating actions put forward by Services for variations to budgets, and the implications on the MTFP. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?</i></p> <p>2. <i>Is the information in these reports presented effectively?</i></p> <p>3. <i>Are these reports focused on information that is of interest and relevance to the leadership team?</i></p> <p>4. <i>Does the leadership team feel that the reports support it in making strategic financial decisions?</i></p>	<p>Questions for the Leadership team to ask:</p> <ol style="list-style-type: none"> 1. Is the final outturn position broadly in line with the budget? 2. How well have different services performed against budget? 3. Have any issues been highlighted prior to the end of the year? 4. Has the authority achieved its savings targets? 5. Is the authority's capital programme on track? 	<ul style="list-style-type: none"> • Original or in year recovery savings delivered, mitigations and carried forward. • Corporate mitigations and use of reserves. • Non-Treasury Investments. • In year collection rates for Council Tax and Business rates. Council Debt position, and the resulting reserves position. • The information enables informed decisions to be made about approving the carry forward of specific capital and revenue resources to support the delivery of the Council Priorities in the following financial year. • Whilst a difficult financial year with the post pandemic and cost of living impact on the Council and service users, the overall outturn for 2022-23 has been achieved with general reserves remaining at policy compliant levels. <p>The report can be viewed in the context of regular strategic financial reporting, in that it is consistent with:</p> <ul style="list-style-type: none"> • The annual budget setting report. • Preceding budget monitoring reports presented to CLB and Cabinet throughout the year. • Enables good reconciliation and transparent reporting within the statement of accounts. • Significant variations emerged in the monitor and are investigated further and informs updates to the in-year budget position, MTFP and forward planning and the implications on financial sustainability. • Detailed analysis of movements from original budget to outturn captured in the period 12 report. 		

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