

# Audit Committee Agenda



**Date:** Friday, 24 June 2016

**Time:** 9.30 am

**Venue:** Brunel House, St Georges Rd, Bristol BS1 5UY

## **Distribution:**

**Councillors:** Nicola Beech, Nicola Bowden-Jones, Helen Godwin, Gary Hopkins, Olly Mead, Liz Radford, Clive Stevens, Ken Guy and Brenda McLennan

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**Date:** Date Not Specified

Agenda

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**1. Election of Chair**

To receive nominations for the election of Chair for the 2016/17 municipal year.

**2. Election of Vice Chair**

To receive nominations for the election of Vice-Chair for the 2016/17 municipal year.

**3. Welcome, Introductions Apologies and Safety Information**

**(Pages 5 - 6)**

**4. Membership of the Committee**

To note the members appointed to serve on the Committee for the 2016/17 municipal year.

**5. Terms of Reference**

To note the attached terms of reference for the Committee which were agreed by the Full Council at its meeting on 31 May 2016.

**(Pages 7 - 8)**

**6. Dates and Times of meetings 2016/17**

Below are the provisional dates/times of meetings for 2016/17 (starting at 9.30 am) -

<b>2016</b>	<b>2017</b>
29 July	27 January
23 September	24 March
25 November	26 May

These dates are not fixed as it is for the Audit Committee to determine what dates are most suitable. Although the Audit Committee has historically met on a Friday morning, the Committee may wish to consider if this remains the favoured option for 2016/17.

**7. 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](mailto:democratic.services@bristol.gov.uk) and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on 20 June 2016.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on 23 June 2016.

## 8. 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**.

Please note that the Register of Interests is available at <https://www.bristol.gov.uk/councillors/members-interests-gifts-and-hospitality-register>

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.

## 9. Minutes of Previous Meeting

To agree the Minutes of the 29 April 2016 meeting as a correct record.

**(Pages 9 - 14)**

## 10. Action sheet

To note actions from the 29 April 2016 meeting.

**(Page 15)**

## 11. Draft Work Programme

To note the work programme.

**(Pages 16 - 18)**



## **12. Internal Audit Plan report 2016/17**

The Committee is requested to approve the Internal Audit Plan for 2016/17 and re-approve the Internal Audit Charter, Terms of Reference and Strategic Statement following its recent update.

**(Pages 19 - 49)**

## **13. Bristol City Council - External Audit progress report - June 2016**

To receive an update report in respect of the External Auditors work for 2015/16

**(Pages 50 - 54)**

## **14. Honorary Aldermen nominations**

To consider the nominations for Honorary Aldermen/Women, as nominated by the respective political groups, and make recommendations to Full Council on the appointment of new aldermen/women.

**(Pages 55 - 67)**



# 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](http://www.bristol.gov.uk).

You can also inspect papers at the Brunel House Reception, St.George's Road, Bristol, BS1 5UY.

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 and be available in the meeting room one hour before the meeting. Please submit it to [democratic.services@bristol.gov.uk](mailto:democratic.services@bristol.gov.uk) or Democratic Services Section, Brunel House St Georges Road Bristol BS1 5UY. 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 **three clear working days before the meeting**.

Please see [www.bristol.gov.uk](http://www.bristol.gov.uk) and the '[How to Have Your Say](#)' pdf for the parameters of each individual Committee and what will happen to your submission.

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, 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. This information will also be made available at the meeting to which it relates and placed in the official minute book as a public record (available from Democratic Services).



We will try to remove personal information such as contact details. 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. Public Forum statements will not be posted on the council's website. Other committee papers may be placed on the council's website and information in them may be searchable on the internet.

### **Process 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.
- 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.

### 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) and the footage will be available for two years. 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.

## AUDIT COMMITTEE

### Terms of Reference

#### Overview

The Audit Committee is a non-statutory committee independent of the council's executive and scrutiny and it reports to full council. Its purpose is to provide independent assurance to the council in relation to:-

1. The effectiveness of the council's governance arrangements, risk management framework and internal control environment including overseeing:
  - risk management strategies
  - anti-fraud arrangements
  - whistle-blowing strategies
  - internal and external audit activity;
2. The effectiveness of the council's financial and non-financial performance to the extent it affects exposure to risk and poor internal control;
3. The annual governance statement;
4. The review and approval of the annual statement of accounts, confirming the appropriate accounting policies have been followed, including the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

#### Functions

Full Council has delegated the following functions to the Audit Committee:

- Duty to review and consider the effectiveness of the council's system of internal control and approve the annual governance statement; review and consider the effectiveness of the council's internal audit; consider and approve the statement of accounts (Accounts and Audit (England) Regulations 2011 S.I. 2011/817).
- Assist the council in its statutory duty to promote and maintain high standards of conduct by members and co-opted members.
- Advise the council on the adoption or revision of the Code of Conduct for Members and any associated codes or protocols and monitoring their operation.
- Advise and training members on the Code of Conduct.

- Consider and determine any allegations of misconduct by a member of council (which could be a breach of the code of conduct) if the Monitoring Officer requests assistance.
- Consider nominations made by Group Whips for the conferring of the title “Honorary Alderman” and “Honorary Alderwoman” and making recommendations to Full Council thereon.
- To monitor the register of members interests.
- To advise and assist as required in the selection of the Lord Mayor.
- To grant dispensations pursuant to section 33(2) of the Localism Act 2011 where:
  - (i) without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter.
  - (ii) that the authority considers that the dispensation is in the interests of persons living in its area; or
  - (iii) where the Committee considers that it is otherwise appropriate to grant a dispensation.
- Responsibility for ensuring effective scrutiny of the Council’s Treasury Management Strategy and policies.
- Involvement in the appointment/dismissal of the Chief Internal Auditor.
- Involvement in monitoring the performance of the Chief Internal Auditor.

## DISCLAIMER

The attached Minutes are DRAFT. Whilst every effort has been made to ensure the accuracy of the information and statements and decisions recorded in them, their status will remain that of a draft until such time as they are confirmed as a correct record at the subsequent meeting

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### **Bristol City Council Minutes of the Audit Committee meeting 29<sup>th</sup> April 2016 at 10 am**

#### **Present:**

Councillors - Lesley Alexander, Mark Brain (Chair), Gary Hopkins, Olly Mead, Eileen Means, Jerome Thomas  
Independent Member(s) – Ken Guy

#### Key officers/others in attendance:

Councillor Gollop - Deputy Mayor, Alison Mullis/Melanie Henchy-McCarthy - Chief Internal Auditor, Tony Whitlock - Principal Accountant (Corporate Finance), Harry Lawson - Interim Service Manager (Corporate Finance), Kay Libby - Service Manager (Strategic Planning), Steven Pendleton - Service Manager (Commissioning and Supplier Relationship Management), Bernadette Keen (Information Security Manager), Greg Rubins - BDO Accountants.

#### **1. Apologies for absence and substitutions**

Apologies received from Brenda McLennan (Independent Member).

#### **2. Public forum**

None received.

#### **3. Declarations of interest**

None declared.

#### **4. Minutes of the Audit Committee held on the 11 March 2016**

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

**the Chair.**

**Matter arising - Minute No 7 (Bristol 2015 Ltd)**

The Chair added the following comment with regard to the discussion at the meeting on 11 March 2016 –

The Committee received a number of progress reports from Bristol 2015 Ltd, the Company set up to administer the funds, projects and programmes which ran throughout the year. The Committee believed the governance arrangements within Bristol 2015 were satisfactory overall but that these arrangements were insufficiently transparent, particularly in the early stages, and this led to controversy. The Committee was of the opinion that companies set up by Bristol City Council in the future should learn lessons from the experience of Bristol 2015.

**5. Action sheet**

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

**6. Work Programme**

**Resolved – that the Work Programme be noted.**

**7. Update on Information Security**

The Audit Committee considered a report (agenda item 8) of the Service Manager (Commissioning and Supplier Relationship Management) regarding the information security risk to the Council.

The Committee was informed that since the last report there had been a notable increase globally in cyber related threats. Phishing E-mails which aimed to trick the recipient into handing over credentials or opening infected attachments were now being sent to most large organisations. In response the Council had implemented a number of technical and non-technical measures.

During the December 2015 the Council, along with a number of other large organisations within the region, had received a large number of Phishing E-mails. The Council's systems were not significantly compromised during the attacks and the Council's overall functioning and services were not affected. Nevertheless, the attacks and their impact did demonstrate a need for further security measures and for increased staff training.

Members welcomed the report and thanked all staff involved for their hard work and diligence. After subsequent discussion the Committee was assured that the increase in working from home and at weekends would not compromise information security as the Council's intention was to create an 'anytime, any place digital work culture with full IT support being provided.

**Resolved – that the report be noted.**

#### **8. Partnership Working in Bristol**

The Audit Committee considered a report (agenda item 8) of the Service Director (Policy, Strategy & Communications) regarding the progress made in respect of a number of risks related to partnership working.

The Committee was informed that work had been undertaken to ensure good governance around the development of strategy/policy and the running of partnership boards. It was considered that this would have a positive outcome on the development of the City Vision and the Corporate planning process.

Members welcomed the report and suggested that the Council's own trading companies should be included in the overall Plan.

**Resolved – that the report be noted.**

#### **9. Accounting Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

The Audit Committee considered a report (agenda item 9) of the Service Director (Finance) regarding the accounting policies that would be used for 2015/16 including critical accounting judgements made and key sources of estimation uncertainty. This included changes in accounting policies that had been introduced as a result of amendments to the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16. It also explained the requirement to include notes on critical accounting judgements and key sources of estimation uncertainty.

It was considered that greater emphasis should be placed on giving more open information in respect of trading companies owned by the Council, particularly with regard to recoverability from investment and assumptions made. This was to ensure that the Council's reputation was maintained in the

event of a financial rescue being necessary. The External Auditor confirmed that this would be closely monitored.

Concern was expressed about council property not appreciating in value, however the Committee was advised that recently there had been major valuation gains. Valuations of property also covered transfer of assets eg, academy schools from LEA control. After some discussion agreed that transfer of assets and liabilities should be put on the work programme for next year's audit committee.

**Resolved – that the accounting policies that to be used in preparing the 2015/16 be approved and the critical accounting judgements made and key sources of estimation uncertainty be noted.**

**10. BDO's Fee letter for 2016/17**

The Audit Committee considered a report (agenda item 10) of the Service Director (Finance) regarding the external accountants proposed audit fee and outline programme for 2016/17.

**Resolved – that the report be noted.**

**11. Draft of Internal Audit Plan 2016/17**

The Audit Committee considered a report of the Chief Internal Auditor (agenda item 11) with regard to the draft Internal Audit Plan which was currently out for consultation.

After some queries had been raised the Committee was asked to let the Internal Auditor have any views or comments on the draft Internal Audit Plan by e-mail as soon as possible.

**Resolved – that the report be noted.**

**12. Annual report Risk Management**

The Audit Committee considered a report of the Chief Internal Auditor (agenda item 12) about progress and areas for future development regarding risk management arrangements for the City Council.

**Resolved – that the report be noted.**

**13. Audit Committee - Draft Annual report to Council 2015/16**

The Audit Committee considered a report of the Chief Internal Auditor (agenda item 13) about the Committee's draft annual report to Full Council which referred to its role, work programme and a facility to provide key assurances to the Council. The report also detailed the planned development of the Committee to strengthen the level of assurance provided in the future.

The Chair amended the Foreword to the report, in relation to Bristol 2015 Ltd (Green Capital), as follows -

'The Committee received a number of progress reports from Bristol 2015 Ltd, the Company set up to administer the funds, projects and programmes which ran throughout the year. The Committee believed the governance arrangements within Bristol 2015 were satisfactory overall but that these arrangements were insufficiently transparent, particularly in the early stages, and this led to controversy. The Committee was of the opinion that companies set up by Bristol City Council in the future should learn lessons from the experience of Bristol 2015.'

The Chair reminded members that the occupants of the Internal Auditor position could not be dismissed without the approval of the Audit Committee, this was to ensure that the Internal Auditor could audit the Council's work in a transparent, open and unfettered manner. It was considered that this protection should be extended to any Directorate restructuring plans which would necessitate the current incumbent(s) of the Internal Auditor post having to apply for their own positions.

**Resolved – that the report be noted.**

#### **14. Draft Annual Governance Statement 2015/16**

The Audit Committee considered a report of the Chief Internal Auditor (agenda item 14) in respect of the draft Annual Governance Statement and Action Plan 2015/16.

The Committee was informed of the progress that had been made in improving Corporate Risk Management arrangements during 2015/16 and of an Action Plan to further develop risk management arrangements and ensure that they were both integral and effective. Following discussion it was considered important to retain the Metrobus Project in the Action Plan and on the Risk Register.

The Committee also requested that an update on the Finance Action Plan be brought to the Audit Committee at its annual general meeting in June, and

also further update reports be brought, as necessary, on an intermittent basis throughout the municipal year.

**Resolved –**

**1. That the draft Annual Governance Statement together with the updated Action Plan, subject to retention of Metrobus in the Action Plan, be agreed as a fair reflection of the internal control and governance environment during 2015/16 and to date, prior to it being finalised and signed by the Mayor, the City Director and the s151 Officer in July 2016;**

**2. That an update on the Finance Action Plan be brought to the Audit Committee at its annual general meeting in June, and also further update reports be brought, as necessary, on an intermittent basis throughout the municipal year.**

**15. Members Standard items**

*No items to consider*

**16. Information Items**

*No items to consider*

The meeting ended at 11.50 am

Chair

### Audit Committee Action Sheet – 29 April 2016

Action number	Item/report	Action and Deadline	Responsible officer	Action taken and date completed
1	Action sheet (25/9)	Report on Management of Natural Resources to be brought to a future meeting	JD	Pending
2	Action sheet (25/9)	Advise members of AC when review of financial regulations has been completed, work ongoing	MHM/AM	Pending
3	Treasury Management Strategy/Practices	Provide current figures for the servicing of the Council's debt to Councillor Mead	TW	Done figure is £12m
4	Corporate Risk Register	Concerns about risk in respect of devolution to be taken back to risk owners	MHM/AM	Done
5	Annual Governance Statement	Brief Councillor Hopkins and discuss concerns raised in respect of Metro Bus project risks	MHM/AM	Reported to 29 April meeting

**AUDIT COMMITTEE**  
**DRAFT WORK PROGRAMME 2016/17**

Meeting Date	Report Author	Report Details	Presented Y/N	Comments:
Friday 24 June 2016 9.30am	External Audit:  Internal Audit:  Finance:  Legal:	Confirm dates and times of meetings  Annual Statement Accounts Training Update Report  Audit Plan 2016/17  Finance Improvement Plan - Update  <b>Members Standard items:</b>  <b>Information Items:</b>		Requested by Audit Committee
Friday 29 July 2016 9.30am	Finance:  External Audit:  Internal Audit:	Update Report  Annual Report 2015/16  Annual Governance Statement - Action Plan Update Corporate Risk Register 2015/16 Update		
Friday 23 September 2016 9.30am	Finance:  External Audit:  Internal Audit:  Officer:  Legal:	Treasury Management - Quarter 1 Report Final Statement of Accounts 2015/16  ISA260 Report  Final Annual Governance Statement 2015/16 and Action Plan Update  Traded Companies: Financial Update  <b>Members Standard Items</b>  <b>Information Items:</b>		

Meeting Date	Report Author	Report Details	Presented Y/N	Comments:
Friday 25 November 2016 9.30am	External Audit:  Finance:  Internal Audit:  Officer:  Legal:	Annual Audit Letter  Treasury Management - Mid-year Report  Internal Audit Half-Year Report 2015/16  Markets Operation: Update MetroBus - update on Governance.  <b>Members Standard Items:</b>  <b>Information Items:</b> Directorate Risk Registers		
Friday 27 January  2017 9.30am	External Audit:  Finance:  Internal Audit:  Officer:  Officer:  Legal:	2015/16 Grants Report  Treasury Management - Strategy Report and Practices  Fraud Update (Incl. Tenancy Fraud Initiative) Corporate Risk register - Update Annual Governance Statement Action Plan - Update Corporate Risk register - Update  Customer Relations Update on effectiveness of new system  Traded Companies - Performance Update  <b>Member Standard Items:</b>  <b>Information Items:</b> <i>Directorate Risk Register</i>		
Friday 24 March  2017 9.30am	Internal Audit:    External Audit:	Audit Committee Effectiveness Review Update on Local Audit Bill - Impact and Procurement Options Draft Annual Plan 2017/18 - For Consultation  Audit Approach/Planning Letter 2017/18  <b>Information Items:</b> <i>Directorate Risk Register</i>		Workshop - no report

Meeting Date	Report Author	Report Details	Presented Y/N	Comments:
Friday 26 May  2017 9.30am	Internal Audit:    Finance: Officer:  SIRO:  Legal:	Draft Audit Committee Annual Report to Council 2016/17 Risk Management Annual Report Draft Annual Governance Statement 2016/17 and Updated Action Plan Annual Plan for 2017/18  Accounting Policies Partnerships - Risk/Opportunities - Value for Money  Information Security Strategy - Update  <b>Member Standard Items:</b>  <b>Information Items:</b>		

# Audit Committee

24<sup>th</sup> June 2016



<b>Report of:</b>	Chief Internal Auditor
<b>Title:</b>	Internal Audit Plan 2016/17
<b>Ward:</b>	Citywide
<b>Officer Presenting Report:</b>	Melanie Henchy-McCarthy/ Alison Mullis, Chief Internal Auditor (Job Share)
<b>Contact Telephone Number:</b>	0117 92 22063/22448

## Recommendation

The Audit Committee is recommended to approve the Internal Audit Plan for 2016/17 and re-approve the Internal Audit Charter, Terms of Reference and Strategic Statement following its recent update.

## Summary

*The Audit Committee received and was consulted on the draft Internal Audit Plan at its meeting in April 2016. The attached report presents the Internal Audit Plan for 2016/17 following completion of wider consultation for approval by the Committee. It details the planning process and identifies key areas of focus for the year.*

*The Audit Committee approved the Internal Audit Charter, Terms of Reference and Strategic Statement at its meeting in June 2015. The Internal Audit Charter, Terms of Reference and Strategic Statement has been reviewed and updated.*



This report was shared with the Cabinet Member for Finance, Governance and Performance.

**The significant issues in the report are:**

- The formulation of the plan (paragraph 2 – 9 of report)
- Key features of the plan (paragraph 10 of report)
- The Internal Audit Plan 2016/17 (Appendix 1)
- The Internal Audit Charter, Terms of Reference and Strategic Statement (Appendix 3).

**Policy**

1. The Audit Committee Terms of Reference includes overseeing the activity of Internal Audit

**Consultation**

**2. Internal**

Strategic Leadership Team, Directorate Leadership Teams, Service Director: Finance, Audit Committee.

**3. External**

*External Audit*

**Context**

Purpose of the Report

4.1 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.

4.2 The Council's Internal Audit service is a key component of the assurance framework and the Audit Committee's Terms of Reference includes a requirement to provide independent assurance to the Council in relation to internal audit activity.

4.3 The Audit Committee need to consider if the planned Internal Audit work is appropriate and sufficient to provide the Committee with the assurance it requires and as such to monitor the service's performance against the plan.

4.4 The Internal Audit Charter and Terms of Reference define Internal Audit's purpose, authority and responsibility. The Strategic Statement sets out how Internal Audit will be delivered and developed and how it reflects the Council's objectives and priorities; as such it provides the link between the Charter and Terms of Reference and the audit plan. The Charter, Strategy and Terms of Reference are reviewed annually and have again been updated. They can be seen at Appendix 2 of the

attached report with significant amendments marked for ease of reference

### Legal Framework

4.5 The Accounts and Audit Regulations 2015 provide that the Council must ensure it has a sound system of internal control and that there is effective internal audit of its risk management, control and governance processes in accordance with public sector internal auditing standards or guidance.

4.6 Section 151 of the Local Government Act 1972 requires every authority to make arrangements for the proper administration of its financial affairs and ensure that one of the officers has responsibility for the administration of those affairs. Internal Audit supports the role of the Section 151 Officer by assessing the financial controls of the Council, in particular in relation to the main financial systems and provides assurances to the External Auditor regarding the reliance that can be placed upon these in agreement with working protocols developed with them.

4.7 The Public Sector Internal Audit Standards 2013 include guidance that the Committee should review, assess and approve the Internal Audit work plan.

### Internal Audit Plan

4.8 The attached report details the processes undertaken to formulate the audit plan. The plan will be reviewed on a quarterly basis in order to ensure it remains focussed on the key risk areas within the control environment.

4.9 Performance against completion of the plan will be measured via in year updates to the Committee.

### Proposal

5. The Audit Committee is recommended to approve the Internal Audit Plan for 2016/17 and re-approve the Internal Audit Charter, Terms of Reference and Strategic Statement following its recent update.

### Other Options Considered

6. None necessary

### Risk Assessment

7. 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) None required for this report.

### **Legal and Resource Implications**

#### **Legal**

None sought

**(Legal advice provided by N/A)**

#### **Financial**

##### **(a) Revenue**

None required for this report.

##### **(b) Capital**

None required for this report.

#### **Land**

Not applicable.

#### **Personnel**

Not applicable

**Appendices:**

Appendix A - Audit Plan for Internal Audit 2016/17

Appendix B - Reserve Plan List

Appendix C - Internal Audit Charter, Terms of Reference and Strategic Statement

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**Background Papers:**

Audit planning files

Public Sector Internal Audit Standards 2013

CIPFA/CIIA: Local Government Application Note for the UK Public Sector Internal Audit Standards



A

# BRISTOL INTERNAL AUDIT

Information Classification: Level 1 Due care

## INTERNAL AUDIT: PLAN REPORT 2016/17

Date: June 2016

Page 24

### Melanie Henchy-McCarthy

Chief Internal Auditor

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### Alison Mullis

Chief Internal Auditor

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# 1. Purpose of this Annual Plan Report

1.1 This report provides an overview of Internal Audit's proposed work plan for 2016/17. Its purpose is to:

- ❖ Provide the Audit Committee with a summary view of the planned Audit coverage for 2016/17
- ❖ Provide details of the methodology used to formulate the plan
- ❖ Draw attention to key areas within the proposed plan
- ❖ Provide details on the plan monitoring process, together with the follow-up and escalation process.

# 2. Formulation of the 2016/17 Audit Plan

2.1 The Internal Audit planning process reflects the requirements of the Public Sector Internal Audit Standards 2013 (PIAS) and supporting Local Government Application Note produced by CIPFA/CIIA. It results in a risk based audit plan which is sufficiently flexible to reflect the changing risks and priorities of the Council. The plan links to the Internal Audit Charter, Terms of Reference and Strategic Statement which set Internal Audit's purpose, authority and responsibility and describe how Internal Audit will be delivered and developed.

2.2 In planning our work, our aims are to:

- ❖ Ensure we complete a programme of work which will enable us to provide an evidence based opinion on the whole risk, governance and control environment in support of the Annual Governance Statement (AGS)
- ❖ Help the Council meet high standards of service delivery, conduct and governance by examining, evaluating and reporting on the risk management, governance and internal control environment
- ❖ Ensure we are in a position to deliver other elements of work that we do on behalf of the Council which also support our year-end opinion.

2.3 The level of Internal Audit resources required to examine all Council activities far exceeds those available each year. It is therefore important to ensure our work is planned to ensure the maximum benefit is achieved in respect of the above aims and that our work is risk based. In preparing our plan we look to provide reasonable assurance to Audit Committee, SLT and other stakeholders regarding all key areas within the Council risk, governance and control environment as follows:



- 2.4 In developing the plan, we have undertaken a desk top review of the potential risk areas for Audit review. In doing so we have considered:
- ❖ The risks and mitigations recorded in the Corporate Risk Register and in Directorate Risk Registers to ensure we can provide independent assurance regarding the management of those risks
  - ❖ The Council's and national fraud risk registers that are specific to local authority operations
  - ❖ The areas identified by the Council's Annual Governance Review process as potential governance issues
  - ❖ The overall assurance framework in place across the Council
  - ❖ The results of our work last year to determine where follow up reviews are required.
  - ❖ Our own documented risk assessment of all processes and operations across the Council. This risk assessment is based largely on the corporate impact of the process/area for review and our understanding of the strength of the control framework which is in place to mitigate the likelihood of loss or error in that area. The latter also takes into considered the length of time since the area last received audit attention.

2.5 Additionally, we have consulted with officers and Member groups to ensure:

- ❖ We have correctly assessed and understood the risks to achievement of the Council's objectives
- ❖ We understand other sources of assurance and where we can rely on these
- ❖ The plan focuses on areas that our main stakeholders feel would benefit from audit attention.

2.6 As such, in finalising our plan, we have consulted the following staff/Members:

- City Director
- Strategic Directors
- Directorate Leadership Teams
- Directorate Managers
- S151 Officer
- The Information Security Lead and Senior Information Risk Owner
- Finance Managers and Finance Business Partners
- External Audit
- Audit Committee at their meeting in April 2016
- Deputy Mayor

2.7 Internal Audit also has responsibility on behalf of the Council for facilitation of developments in the following areas and this work is also included in the work plan:

- ❖ Strategic risk management facilitation and best practice development
- ❖ Co-ordination of assurances around corporate governance and compilation of the Annual Governance Statement

❖ Ensuring robust counter fraud arrangements are in place across the Council.

- 2.8 The outcome of the above process is the draft plan at Appendix A. The plan sets out a work programme that will enable us to form an opinion on the whole of the Council’s risk management, internal control and governance arrangements based on sampling risk management strategies and control/governance systems.
- 2.9 Appendix B - Reserve Plan List - provides details of reviews identified for completion for which it is anticipated there will not be sufficient resource to complete. However, the plan is flexible and recognising that the Council continues its ambition to deliver change to service design and delivery, there will be a need to review and re-assess the plan throughout the year as new risks emerge and control environments change. Items in Appendix B will also be reconsidered as part of this quarterly review process or as and when resource becomes available. Relevant amendments will be made where necessary in discussion with senior managers across the Council after each quarterly review. Areas are prioritised for review in accordance with risk and available resources.

### 3. Resources

- 3.1 The level of resources available to Internal Audit during 2016/17 is sufficient to enable us to provide reasonable assurance as detailed above. The Team is at full strength going into 2016/17 and whilst we will lose one member of staff on maternity cover early in the year, a temporary replacement is already being sought.
- 3.2 The table below provides the Committee with a summary view of the proposed coverage for 2016/17, split by audit type and providing indicative days, with full details of the Audit reviews provided in Appendix 1.

Area of Work	Indicative Days
<b>Assurance:</b>	
• Strategic Risk Management	145
• Core Governance Systems (incl AGS)	115
• Financial Control Systems	305
• Procurement and Commissioning	70
• Asset Management	80
• Information Security	100
• Operational Risk Management	155
• Schools Assurance Programme	111

<b>Area of Work</b>	<b>Indicative Days</b>
• Grant Certification	165
• Consultancy and Advice (incl Risk)	212
<b>Total Assurance Agenda</b>	<b>1458</b>
<b>Fraud/VfM Agenda:</b>	
• Fraud Prevention	102
• Fraud Detection	345
• Fraud Responsive Work	310
• Tenancy Fraud Work	675
• VfM Work (Specific Exercises)	80
<b>Total Fraud/VfM Days</b>	<b>1512</b>
<b>Development Agenda</b>	<b>130</b>
<b>Traded Assurance Programme</b>	<b>74</b>
<b>Total Available Productive Days</b>	<b>3174</b>

3.3 The above demonstrates that resource levels allocated to both assurance and fraud agendas are similar. This is partly due to the fact that less resource is generally required to review systems of internal control than that taken to pro-actively target fraud risk areas or to thoroughly investigate allegations of fraud. However, additionally:

Page 29

Two investigations trained staff from the Council's former Benefit Fraud Investigation Team remained with Internal Audit's Investigations team to secure robust coverage in two key fraud risk areas:

- following the transfer of responsibility for investigation of benefit fraud to the DWP from April 2015, obligations remain with the Council to provide the DWP with information regarding benefit claims to enable them to investigate
- obligations to ensure that fraud against the Council's Council Tax Reduction Scheme is properly dealt with remains a Council responsibility. Previously Council Tax Benefit was dealt with as part of the same investigation as housing benefit

❖ A Housing advisor has been seconded to the investigations team to work with us on tenancy fraud. This resource is also included in the above analysis.

3.4 Regarding the resource required in respect of Housing Benefit and Council Tax Reduction fraud, this arrangement has now been in place for a full year. As such, we have reviewed work levels and our approach and redirected the resource of half of one FTE posts to provide additional resource to tackle tenancy fraud. The tenancy fraud programmes is moving from strength to strength and this will allow us to focus in this high fraud risk area and work proactively to both prevent and detect this type of fraud.

- 3.5 Whilst Value for Money (VfM) work represents a small percentage of the overall Audit plan, VfM is integral to all of our work and is considered at each audit assignment as a matter of course. This small allocation relates to specific and targeted VfM work we aim to complete which is not specifically covered elsewhere in the plan. Additionally our proactive fraud and irregularity work often identifies significant VfM opportunities.
- 3.6 A flexible contingency allowance has been incorporated into the plan to allow for fraud responsive work, however should responsive work not materialise, this resource will be used to complete pro-active fraud work, further VfM exercises or other assurance work as detailed in appendix B or in areas which emerge throughout the year.
- 3.7 To ensure the section continues to meet the requirements of legislation, relevant Codes of Practice, and remains up to date, the plan includes a resource to allow for research and development of new methodologies. This is particularly important during the current time when all services are undergoing redesign to deliver a better service with less resource.

## 4. The Audit Plan – Key Features

- 4.1 The plan reflects the highest risk areas to the Council and is designed to ensure that our assurance is targeted effectively to enable us to provide an opinion on the whole governance, risk and control framework. Significantly, this year, our resource is currently focussed in the following areas:
- Page 30
- ❖ **Strategic Reviews** - The plan includes reviews of key processes in place which contribute to the management of corporate risks to ensure the mitigations remain effective
  - ❖ **Corporate Governance** – Review of key elements of the Council’s governance framework to inform the Annual Governance Statement. In particular, reviews of transparency culture and compliance with the new Transparency Code of Practice are included along with other core governance processes such as schemes of delegation and staff declarations of interest
  - ❖ **Financial Governance** - The plan retains a significant focus on financial control as the financial systems and structures continue to bed in. This is an area of increasing risk in the Corporate Risk Register as budget pressures continue across the Council and as such strong financial control is paramount to ensure the Council’s financial resilience is secured
  - ❖ **Procurement** – This area continues to be considered high risk and vulnerable to fraud. It represents a significant element of the Council’s operations and spends and as such poor controls and non-compliance with best practice is likely to result in poor value for money for the Council. The need for a robust procurement framework is critical and our reviews in this area support that goal
  - ❖ **Consultancy and Risk Management** – The Plan incorporates a comprehensive consultancy programme in order to allow Internal Audit to be involved at the initial stages of a project/programme to ensure the control framework is in place from the start. The Plan also allows for interaction with Members and our external partners and work to facilitate and develop risk management arrangements across the Council will continue following a decision last year that this work will remain with Internal Audit
  - ❖ **Fraud** – A significant proportion of the plan is devoted to ensuring the Council has robust approaches to fraud. The plan includes focus on specific fraud prevention work as well as maintaining a focus on proactive fraud detection, investigation and awareness

- ❖ **Information Security Governance** – The Plan includes consideration of the security arrangements in place following the roll out of agile working for many staff. Additionally, given the move to ensure services are delivered digitally as far as possible, work is planned to review the resilience and security of our web platform
- ❖ **Grant Certification** – the Plan incorporates an extensive grant certification programme which ensures maximisation of the Council’s grant income. A small contingency has been built in for grants which may arise during the year
- ❖ **Follow up** – the timely implementations of audit recommendations remain critical for the Council. Where high levels of risk are identified by our work, our follow up programme will continue to highlight and escalate to senior management and the Audit Committee those areas where timely improvements are not made. We will however continue to make use of interim reporting for areas where ‘quick win’ implementation can be achieved for an improved final report opinion.

## 5. Plan Monitoring

- 5.1 Performance against completion of the annual plan will be measured and reported on a quarterly basis. The Audit Committee will be kept updated on the progress of the planned coverage and of how the service is progressing towards its set targets. Where issues arise which would significantly affect the service’s ability to provide sufficient audit coverage to inform the annual opinion, the Committee will be updated at the earliest Committee meeting or off-line should the need arise.

## 6. Follow Up and Escalation

- 6.1 Follow-up audits are included in the plan with any arising in-year follow-up to be considered as part of the quarterly review of planned work.
- 6.2 Details of Audit follow up work will be reported to the Committee as part of in year updates and annual report, with ad-hoc reports brought to the Committee should the need arise. Directorates/Services that fail to implement High/Medium recommendations within the agreed timescale will be brought to the attention of the Committee.
- 6.3 The Escalation Procedure includes escalating issues of concern through the management structure and ultimately to the Audit Committee. Members are encouraged to require relevant Strategic Directors or Service Directors/Managers to explain any failure to satisfactorily implement improvement recommendations or to confirm their acceptance of the risks associated with non- implementation of recommendations.

## 7. Context

- 7.1 The Audit Committee's Terms of Reference includes a strategic requirement to ensure that the Council's internal control and assurance framework is operating effectively. To enable them to do so, the Committee needs to ensure it seeks assurance that key areas that contribute to this framework are robust. The work of Internal Audit is a key component of the assurance provided to the Committee in fulfilling this role.
- 7.2 The Public Sector Internal Audit Standards 2013 guidance on the role of Audit Committees in relation to Internal Audit suggests that it should involve reviewing, assessing and approving the Internal Audit work plan and strategy for delivery of the Audit Service. Whilst this report will enable the Committee's input to the work plan, the higher level Strategic Statement has also been reviewed and is attached at Appendix C together with the Internal Audit Charter and Terms of Reference for the Committee's consideration and approval.
- 7.3 The standards also include the requirement that Internal Audit must be operationally independent. The Internal Audit Charter and Terms of Reference detail the arrangements in place regarding the team's operational independence including details of the Chief Internal Auditor's reporting lines. There are two areas of work that the team does deal with operationally on behalf of the Council; facilitating the Corporate Risk Management Arrangements and facilitating the preparation and review of the Annual Governance Statement.
- 7.4 There are synergies between these areas of work and that of risk based internal audit reviews of control and governance and they are well aligned to the assurances that Internal Audit seek to provide. However, to ensure compliance with best practice, an external independent review is to be commissioned during 2016/17 to provide an independent external third party review of the Council's strategic risk management arrangements. Additionally, the External Auditor reviews the Annual Governance Statement to ensure it has been prepared to properly reflect the governance activities that have operated at the Council in respect of 2016/17.

## Internal Audit Plan 2016/17

Type	Source and or CRR/DRR Risk Ref	Directorate	Sub section	Control and Governance System/ Assignment
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**Planned Assurance Programme****Strategic Risk Management**

Assurance	DRR9	BC	Strategic	Bristol Workplace Programme - Governance, Financial Impact and other
Assurance	CRR11	CORP	Strategic	Council Companies - Compliance with Code
Assurance	CRR9	CORP	Strategic	Devolution Project Governance - Watching Brief
Assurance		CORP	Strategic	Audit of Corporate Risk Management Arrangements
Assurance	DRR2	NH	Strategic	Waste Management - Monitoring delivery of agreed outcomes
Assurance	CRR1	PE	Strategic	Safeguarding (Children's)
Assurance	CRR1	PE	Strategic	Safeguarding (Adults)
Assurance		CORP	Risk	Assurance Mapping - Governance Framework including Corporate Risk Register
Assurance	CRR3	CORP	Partnership	LEP and City Deal Audit Work (including Economic Growth data review and joint audit programme)

**Core Governance Systems**

Assurance		CORP	Governance	Annual Governance Review and Statement
Assurance	CRR4/CF	CORP	Governance	Capital Programme and Capital Programme Board
Assurance	CRR2	CORP	Governance	Customer Complaints System
Assurance	CRR6	CORP	Governance	Schemes of Delegation
Assurance	CF	CORP	Governance	Hospitality Registers and Declarations of Interest
Assurance	Audit Committee	CORP	Governance	Members' Declarations of Interest
Follow Up	CRR4/FU	CORP	Governance	Business Continuity Planning/Disaster Recovery
Assurance		CORP	Governance	Whistleblowing Arrangements Review (including an assessment of employee confidence in arrangements)
Assurance		CORP	Governance	Partnership Governance - Corporate Approach

**Financial Control Systems**

Assurance		NH	Financial Controls	NNDR - Collection processes, monitoring and management information
Assurance		BC	Financial Controls	Payroll/HR System - Control and governance in new system
Assurance		BC	Financial Controls	Financial Systems Interfaces with ABW (Agresso Business World)
Assurance	Ext audit	BC	Financial Controls	General Ledger Journal Movements - Control over journals and virement
Assurance	CF	NH	Financial Controls	Housing Benefits - including follow up of external audit concerns following 2014/15 grant claim
Assurance		BC	Financial Controls	Accounts payable - request for payments (payments by spreadsheet)
Assurance		BC	Financial Controls	Accounts Receivable
Assurance		BC	Financial Controls	E' Returns Income
Assurance	CF	BC	Financial Controls	ABW - Bank Reconciliation & Income Manager
Assurance		PL	Financial Controls	Security Services/Cash in Transit
Assurance		NH	Financial Controls	Budgetary Control and Forecasting
Assurance		BC	Financial Controls	Budgetary Control and Forecasting
Assurance		PL	Financial Controls	Budgetary Control and Forecasting

Assurance		PE	Financial Controls	Payments to Private Day Centres/Residential Care Homes – Payments for services against contractual arrangements
Assurance		PE	Financial Controls	Liquid Logic/ConTRocc - interfacing of IT system and financial processes
Assurance		PL	Financial Controls	Parking – Income
Assurance	CF	CORP	Financial Controls	Purchase Card Review
Follow Up	CRR3/FU	CORP	Financial Controls	Non-pay panel follow up
Follow Up	FU	PE	Financial Controls	Budgetary Control and Forecasting - Follow Up
Assurance	FMT	CORP	Financial Controls	Grant certification process - ensuring early understanding by involved staff of the grant conditions and level of evidence (Including EU grants)
Assurance	FMT	CORP	Financial Controls	Loans to external organisations
Assurance	FMT	CORP	Financial Controls	Benefits Realisation - Governance and monitoring processes around business cases for change which should result in financial savings.
Assurance	FMT	CORP	Financial Controls	Financial decision making in context of budget and policy framework
Assurance	W/B	PE	Financial Controls	Billing of care services to those in homes - deep dive
Assurance	Ext audit	PE	Financial Controls	Pearsons System for Schools Finance

### **Procurement and Commissioning Control Reviews**

Assurance		CORP	Procurement	Procurement - Analytical Review of Variations
Assurance		CORP	Procurement	Strategic Commissioning - Analytical review to gain an understanding of changing approach
Assurance		NH	Procurement	Sports Centres Contracts - Monitoring/Commissioning
Assurance		PE	Procurement	Children's Service Contracts - Monitoring/Commissioning
Assurance	CRR1	PE	Procurement	Electronic Monitoring System Contracts – Monitoring of providers
Assurance		PE	Partnerships	Joint Commissioning Children - Health Partnerships

### **Asset Management Control Reviews**

Assurance		PL	Assets	Asset Transfer - Effectiveness of policy, community transfer
Assurance		PL	Assets	Sale and Disposal of Council Assets
Assurance	NH DRR1	PL	Assets	Fleet Maintenance and Management
Assurance	FMT	PL	Assets	Investment Property Portfolio - Return on Investment/Alignment with Strategy
Assurance	External Audit	PL	Assets	Asset Valuation Processes

### **Information Security Control Reviews**

Assurance		CORP	ICT Systems	Network/Desktop Security Review - including user access admin controls & Firewall/PSN Compliance
Assurance		CORP	ICT Systems	E Procurement System
Assurance		CORP	ICT Systems	ICT Resilience and Cyber Security
Assurance		PE	ICT Systems	Children's Systems - Project Implementation
Assurance	CRR3	PE	Partnership	Information Sharing Protocols and Working Together
Assurance		BC	ICT Systems	ICT Commissioning and Supplier Relationship Management

### **Operational Risk Management:**

Assurance		NH	Operational	Cemeteries and Crematoria (including a review of control around paupers burials)
Assurance		BC	Operational	Employment Status (Right to work and references etc)
Assurance		NH	Operational	Housing Response Repairs - approach and processes regarding reported repairs required
Assurance	DRR1	NH	Operational	Housing Planned Maintenance Programme
Assurance		NH	Operational	Housing Voids - processes to ensure efficient relet of housing stock
Assurance		NH	Operational	Licensing
Assurance		PE	Operational	Home to School Transport (Analytical Review to determine audit work required)
Assurance		PE	Operational	Aids & Adaptions
Assurance	Required	PE	Operational	Bristol Community Links 3 Hubs

Assurance		PE	Operational	Foster Care Payments
Assurance		PE	Operational	Grants to Voluntary Organisations (Avoidance of procurement regulations)
Assurance		PE	Operational	Community Financial Support Projects (looking after service users personal affairs)

### **Schools Assurance Programme**

Assurance		PE	Schools	Sample of Primary Schools (10) (including a sample who have opted out of payroll services)
Assurance		PE	Schools	Sample of Nurseries & Children's Centres (3)
Assurance		PE	Schools	Sample of Special Schools (1)
Assurance		PE	Schools	Sample of Secondary Schools (1)
Assurance		PE	Schools	School Fund Audit Certificates
Assurance		PE	Schools	Collating SFVS Returns

### **Grant Certification**

Grant		BC	Certification	Gigabit Grant
Grant		BC	Certification	Other grant (provision for ad hoc grant certifications received)
Grant		CD	Certification	Carbon Efficiency Grant
Grant		CD	Certification	DECC Grant Spend/Warm up Bristol
Grant		NH	Certification	Scambuster Grant Audit
Grant		NH	Certification	Disability Facilities Grant
Grant	DRR5	PE	Certification	Troubled Families Initiative Grant Certification Process – Complex criteria, June Certification
Grant	DRR5	PE	Certification	Troubled Families Initiative Grant Certification Process – Complex criteria, January Certification
Grant	DRR5	PE	Certification	Troubled Families Initiative Grant Certification Process – Complex criteria, April Certification process
Grant		PL	Certification	Cycle Ambition Fund 2
Grant		PL	Certification	LSTF West
Grant		PL	Certification	LSTF Key Component
Grant		PL	Certification	Better Bus Area Fund 2
Grant	PLT	PL	Certification	ELENA Grant
Grant	PLT	PL	Certification	Office of Low Emission Vehicles Grant
Grant	FBP	PL	Certification	Pothole Action Fund 2016/17 (Advising in advance of certification)

### **Value for Money Reviews**

VFM		BC	VFM	Benefit - Change of Circumstance Review
VFM		CORP	VFM and Controls	Consultants (Analytical review of spend and delivery of agreed outcomes)
VFM		CORP	VFM	Re-charging of Council services
VFM	FU	CORP	VFM	Telephone Review (Ceased number, charging)
VFM	CF	CORP	VFM	Debtors to Creditors Analysis
VFM	CF	PE	VFM	Approach to debt recovery in care services (foster care, meals service)
Fraud - Tenancy		NH	VFM	Pay to Stay (Higher Rent for > £30k capital)

### **Consultancy and Advice**

Consultancy		BC	Advice	Applied Programme/Cohort 4 - Advising on risk and control re process changes
Consultancy		CORP	Advice	Financial Regulations Development
Audit Committee		CORP	Audit Committee	Audit Committee Support
Consultancy		CORP	Governance	Code of Governance update
Consultancy	CRR3	CORP	Risk	Corporate Risk Register Review and Directorate Risk Register Oversight
Consultancy		CORP	Risk	Risk Management Guidance (Webpage review)
Consultancy		CORP	Risk	Risk Management Overview and Reporting
Consultancy		CORP	Risk	Risk Management Integration and Automation

Consultancy		CORP	Risk	Risk Management Benchmarking/Best Practice
Consultancy		CORP	Consultancy	General Liaison and Advice

## Proactive and Responsive Fraud Agenda

### Fraud Prevention Work

Fraud - Prevention		CORP	Policy	Fraud Risk Register Review and Maintenance
Fraud - Prevention		CORP	Policy	Bribery and Corruption Review
Fraud - Prevention		CORP	Awareness	Fraud Loss Profile Tool - research
Fraud - Reporting		CORP	Awareness	Annual Fraud Update Report
Fraud - Reporting		CORP	Compliance	Transparency Code Data Reporting
Fraud - Strategic		CORP	Awareness	Annual Fraud Surveys
Fraud - Prevention		CORP	Awareness	Fraud awareness at induction and generally
Fraud - Prevention		CORP	Awareness	Fraud and warning bulletins - responding to alerts/bulletins
Fraud - Prevention		CORP	Awareness	Fraud web pages review and maintenance
Fraud - Prevention		PE	Awareness	Fraud Awareness Training - Schools
Fraud - Prevention	CF	PE	Awareness	Schools Fraud Healthcheck
Fraud - Prevention		PE	Awareness	Social Worker - Fraud Prevention Training
Fraud - Tenancy		NH	Awareness	Tenancy Fraud awareness training
Fraud - Prevention		BC	Controls Testing	Money Laundering - Testing of controls over refunds
Follow up		PE	Controls Testing	Homelessness - follow up
Follow up		PE	Controls Testing	Direct payment Fraud Prevention - Follow up
Follow up		CORP	Follow up	St George S106 Follow up
Fraud - Prevention		CORP	General	Business Case - National Fraud Initiative Application Checker
Fraud - Prevention		CORP	General	Business Case - ID Validation
Fraud - Tenancy		NH	Tenancy	Business Case/Research Ilatch System

### Fraud Responsive Work

Consultancy		CORP	Fraud Responsive	Gain Enquiries
Consultancy		CORP	Fraud Responsive	Responsive Investigations - contingency

### Fraud Detection Programme based on Fraud Risk Assessment:

#### Fraud Risk Area

Fraud - Detection		NH	Benefits	Benefit Fraud - Liaison and Monitoring SLA with DWP
Fraud - Detection		NH	Benefits	Benefit Fraud - Information Exchange with DWP
Fraud - Detection	FRR/PPP	NH	Benefits	Landlords to Benefit Claimants data match
Fraud - Prevention	CF	NH	Benefits	Residual BFIT Prosecutions
Fraud - Tenancy	FRR/PPP	NH	Tenancy	Tenancy Fraud casework
Fraud - Tenancy	FRR/PPP	NH	Tenancy	Tenancy Fraud prosecutions
Fraud - Tenancy	FRR/PPP	NH	Tenancy	Tenancy NFI
Fraud - Tenancy	FRR/PPP	NH	Tenancy	Tenancy Fraud Advertising and marketing
Fraud - Detection		CORP	Various	National Fraud Initiative 2016-17
Fraud - Detection		CORP	Various	National Fraud Initiative - Household Composition Pilot
Fraud - Detection	FRR/PPP	NH	Ltax	NNDR Fraud or Evasion
Fraud - Detection	FRR/PPP	NH	Ltax	Single Persons Discounts/Council Tax Reduction Review plus NFI out put review
Fraud - Detection	FRR/PPP	NH	Ltax	Council Tax Reduction - Case work and fines
Fraud - Detection	FRR	PL	Parking	Car Parking Income
Fraud - Detection		CORP	Payment	Fiscal Fraud Module
Fraud - Detection	FRR/PPP	BC	Procurement	Procurement intelligence and analysis
Fraud - Detection	FU	PE	Emergency Funds	No Recourse to Public Funds - proactive work

Fraud - Detection		CORP	General	Fraud Hotline
Fraud - Detection	CF	CORP	General	Tied Properties

### **Audit Service Development**

Development		CORP	Development	Service Benchmarking
Development		CORP	Development	Workforce strategy and training plan
Development		CORP	Development	Sale of Services
Development		CORP	Development	Fraud Management System implementation and development, testing
Development		CORP	Development	Fraud Team - Review of Investigation Templates
Development		CORP	Development	Networking Groups
Development		CORP	Development	Audit Automation Business Case
Development		CORP	Development	Best Practice Development

#### **Key to Source**

CRR	Corporate Risk Register
DRR	Directorate Risk Register
FRR	Fraud Risk Register
FU	Follow Up of Previous Recommendations Made
CF	Carried forward from previous year
FMT	Finance Management Team
W/B	Whistleblower
Required	Requested
PPP	Protecting the Public Purse - National Fraud Risk Assessment

#### **Key to Directorate**

CORP	Corporate or Cross Cutting Issues
BC	Business Change
NH	Neighbourhoods
PE	People
PL	Place

Internal Audit Plan 2016/17Reserve Plan List

Type	Source and or CRR/DRR Risk Ref	Directorate	Sub section	Subject
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**Strategic Risk Management**

Assurance	DRR11	BC	Strategic	Service Income Generation
Assurance	CRR2	CORP	strategic	Digital Service/strategy
Assurance	CRR1	PE	strategic	Homelessness - Review of new strategy
Assurance	DRR1	PL	Strategic	Place Programme Management
Assurance	DRR 6	PE	Strategic	Learning City

**Core Governance Systems**

Assurance		CORP	Governance	Enforcement Activity
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**Financial Control Systems**

Assurance	External audit	BC	Financial Controls	End of year closure procedure
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**Information Security Control Reviews**

Assurance		PL	ICT Systems	Corporate Property - Agresso Business Works
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**Operational Risk Management:**

Assurance		PE	Operational	Area Social Work Teams
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**Fraud Prevention Work**

Fraud			Various	Continuous Data Matching - Fraud Prevention
Fraud	FRR/PPP		Procurement	Fraud Awareness - Contractors and Customers
Fraud			Licensing	Licensing Fraud controls

**Fraud Detection Programme based on Fraud Risk Assessment:****Fraud Risk Area**

Fraud	FRR/PPP		Blue Badge	Blue Badge Enforcement Exercise
Fraud			VFM	Planned Programme and frequency of refurbishment works
Fraud	FRR/PPP		Procurement	Procurement organised fraud check
Fraud			Asset	Small holdings
Fraud			Corruption	Declaration of Interests - Fraud Testing
Fraud	FRR/PPP		Social Care	Direct Payments Fraud Testing
Fraud	FRR/PPP		Housing	New Homes Bonus
Fraud	FRR/PPP		Social Care	Social Care - Data Matching exercises

## INTERNAL AUDIT CHARTER, TERMS OF REFERENCE AND STRATEGIC STATEMENT

### 1. Purpose and Statutory Requirements

1.1 The purpose of the Internal Audit Charter, Terms of Reference and Strategic Statement is to define the purpose, authority, scope and responsibility of Internal Audit. It complies with the mandatory requirements of the Public Sector Internal Audit Standards (PSIAS) and the supporting Local Authority Application Note (LGAN) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA). It also meets the PSIAS requirement for internal audit's risk-based plan to incorporate or link to a strategic or high-level statement.

1.2 Internal audit is an independent, objective assurance and consulting function that is designed to add value and improve an organisation's objectives. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating, reporting on and recommending improvements where necessary to secure effective risk management, control and governance processes.

1.3 Internal audit is a statutory service in the context of the Accounts and Audit Regulations 2015, which state in respect of internal audit that: "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

1.4 Internal audit must comply with the PSIAS which became mandatory across the UK public sector from the 1 April 2013. The purpose of the PSIAS is to define the nature of internal auditing within the UK public sector, set basic principles for carrying out internal audit, establish a framework for providing internal audit services and establish the basis for the evaluation of internal audit performance and to drive improvement planning.

1.5 The work of internal audit forms an essential part of the assurance framework in place which informs management when considering and compiling the Annual Governance Statement. However, the existence of internal audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

### 2. Scope

2.1 The scope for Internal Audit work includes the whole control environment comprising risk management, internal control and governance. This effectively means that Internal Audit has independent oversight of all of the Council's operations, resources, services and processes in place to:

- Establish and monitor the achievement of Council objectives
- Identify, assess and manage the risks to achieving the Council's objectives
- Facilitate policy and decision making
- Ensure the economical, effective and efficient use of resources
- Ensure compliance with established policies, procedures, laws and regulations

- Safeguard assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption
- Ensure the integrity and reliability of information, accounts and data, including internal and external reporting.

2.2 Where the scope of the internal audit work extends to services provided through partnership arrangements, the Chief Internal Auditor will decide, in consultation with all parties, whether Internal Audit staff conduct the work to derive the required assurance themselves or rely on the assurances provided by other auditors. Where necessary the Chief Internal Auditor will agree the appropriate access rights in order to obtain the necessary assurances.

2.3 Where the Chief Internal Auditor considers that the scope of audit work is being restricted, the s151 Officer and the Audit Committee will be advised of this.

### 3. Authority

3.1 Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorised to have full, free and unrestricted access to any and all Council records (whether manual or computerised systems), personnel, cash, stores, other assets and premises, including those of partner organisations, where appropriate and have authority to obtain such information and explanations as considered necessary to fulfil Internal Audit responsibilities.

3.2 The Accounts and Audit Regulations (England) 2015 provide that:

Any officer or member of that body must, if the body requires:

- make available such documents and records as appear to that body to be necessary for the purposes of the audit; and
- supply the body with such information and explanation as that body considers necessary for that purpose.

3.3 All Directorates of the Council, or partners/agents contracted to provide services on its behalf, are required to give complete co-operation to Internal Audit staff for the expedient fulfilment of the audit process.

### 4. Definitions and Responsibilities of Officers and the Council in Relation to Internal Audit

4.1 For the purpose of this Charter, Terms of Reference and Strategic Statement the following definitions apply:

- The Board is the Audit Committee - those charged with independent assurance on the adequacy of the Council's risk management framework, the internal control environment and the integrity of financial reporting arrangements. This includes oversight of Internal Audit and its activity

- Head of Paid Service is the City Director - who has responsibility for the corporate and strategic management of the authority and is responsible for ensuring good governance, risk management and internal control arrangements exist and operate
- Senior Management is the Strategic Leadership Team (SLT) - those responsible for the leadership and the direction of the Council. Senior Management are also responsible for ensuring that internal control, risk management, and governance arrangements are sufficient to address the risks facing their Directorates and Services including the risk of fraud and corruption
- Section 151 Officer is the Service Director - Finance - the s151 Officer is responsible for: ensuring lawfulness and financial prudence of decision making; providing financial advice; internal control; risk management; setting financial standards; and ensuring key financial controls are in place to secure sound financial management; ensuring there is an adequate and effective Internal Audit service
- Monitoring Officer is The Head of Legal Services – responsible for maintaining the Constitution; ensuring lawfulness and fairness of decision making; providing legal advice; and conducting investigations. As such the Monitoring officer works closely with Internal Audit on governance matters.

#### 4.2 Internal Audit responsibilities include:

- Formulation and delivery of a risk based annual internal audit plan which will enable the Chief Internal Auditor to provide management and the Audit Committee with the required objective opinion on the internal control, governance and risk management arrangements in place across the Council to inform the Annual Governance Statement
- Reporting significant risk exposures and control issues identified to management and the Audit Committee, including fraud risks, governance issues, and other matters and making recommendations for improvement.
- Ensuring the Council has a robust and proactive approach to fraud identification and investigation, investigating alleged frauds and other irregularities
- The review and certification of grant/funding claims as required
- Providing reports to the Audit Committee to enable it to discharge its duties
- Driving, embedding and supporting effective risk management arrangements across the Council on behalf of SLT and the Mayor
- Collating assurances in support of the Annual Governance Statement, drafting the Statement and facilitating management review
- Raising awareness of internal control, risk management and governance across the Council.

## **5. Accountability**

5.1 Internal Audit is located within the Business Change Directorate. The Chief Internal Auditor is line managed by the Service Director - Finance who monitors the performance of the Chief Internal Auditor and the Internal Audit service. **The Service Director – Finance is not an SLT member in their own right but reports to the Director of Business Change. These management arrangements do not meet the CIPFA expectation that the Chief Internal Auditor should be line managed by a member of SLT.**

5.2 **This arrangement is counterbalanced by the Chief Internal Auditor having direct and unfettered access to the City Director and SLT. The City Director and Audit Committee also have input into the Chief Internal Auditor's annual appraisal.**

5.3 The Chief Internal Auditor reports functionally to the Audit Committee in terms of approving the Internal Audit Charter, Strategy and Terms of Reference and risk based plan; reviewing Internal Audit's performance and effectiveness and receiving the Chief Internal Auditor's Annual Report and other reports.

5.4 The Chief Internal Auditor has direct access to the Chair of Audit Committee and has the opportunity to meet with the Audit Committee in private.

## **6 Independence and Objectivity**

6.1 Internal Audit is independent of the activities that it audits to ensure the unbiased judgements essential to its proper conduct and impartial advice to management. The Chief Internal Auditor reports to the Audit Committee, at least annually, on the organisational independence of the Internal Audit service.

6.2 Internal Audit operates within a framework that allows unrestricted access to senior management and Council, particularly the Mayor, the Chair of the Audit Committee, the City Director and SLT. The Chief Internal Auditor reports in their own name to SLT and the Audit Committee.

6.3 As far as practicable, Internal Audit does not participate in the day to day operation of any systems without agreement of the Audit Committee. However, in strict emergency situations only, Internal Audit staff may be called upon to carry out operational work.

6.4 Where non-audit work, or consultancy work, is requested or required, the Chief Internal Auditor ensures that there are no conflicts of interest arising from undertaking the non-audit work, or consultancy work and if necessary makes alternative arrangements for internal audit review of any area where such a conflict exists.

6.5 Where staff join Internal Audit from a different part of the Council, they do not complete audit work in their previous area of responsibility for a period of at least 1 year.

6.6 **Internal Audit has responsibility for collating assurances in support of the Council's Annual Governance Statement; for drafting the Statement and for facilitating management review. The Chief Internal Auditor does not have line management responsibility for those staff involved in governance processes and does not consider that the responsibilities in respect of the Annual Governance Statement restrict the ability to report objectively on**

governance. Additionally the External Auditor reviews the Annual Governance Statement for consistency with the financial statements.

6.7 The Chief Internal Auditor has line management responsibility for the staff that administer the Council's Corporate Risk Register and provide support and guidance to Council staff on risk management. This provides a potential conflict of interest in Internal Audit reporting objectively on the existence and operation of risk management in the Council. To counterbalance this, the Chief Internal Auditor will commission periodic assurance reviews over risk management from an independent external third party.

## **7. Ethics**

7.1 To enhance the environment of trust between Internal Audit and management, all staff involved in the delivery of Internal Audit services comply with the Code of Ethics laid down in the PSIAS. Staff induction and training ensures all staff are aware of this requirement. Additionally, many Internal Audit staff are bound by the ethical codes of the professional bodies they have qualified with and all are bound by the Council's own Code of Conduct for employees. Fundamentally, the following ethical standards are observed:

- Integrity - performing work with honesty, diligence and responsibility
- Objectivity - making a balanced assessment of all the relevant circumstances, not unduly influenced by personal interests or by others in forming judgements
- Confidentiality - respecting the value and ownership of information obtained and not disclosing information without appropriate authority, unless there is a legal or professional obligation to do so
- Competence and due professional care - applying the knowledge, skills and experience needed in the performance of work.

7.2 Internal Auditors are required to complete a Declaration of Interest every two years to ensure that any interests are known by management and safeguards can be put in place as required. Additionally, they are required to declare any potential conflicts of interest at the start of an audit assignment.

## **8 Internal Audit Activities**

### **Internal Audit Plan**

8.1 The primary task of Internal Audit is to review the systems of governance, risk management and internal control operating throughout the Council and in this a predominantly risk based approach to assessing controls is adopted.

8.2 A risk based plan of internal audit work is prepared annually and reviewed quarterly. The plan is derived from a documented risk assessment which is informed by the views of management, the Council's risk registers, performance management reports and the assurance framework.

8.3 The internal audit plan is discussed with SLT and the s151 Officer before review and approval by the Audit Committee. The City Director is provided with details of the annual plan for information. The annual plan is reviewed quarterly to ensure that it reflects current

risks. Any significant changes to the agreed plan are reported to the Audit Committee through the periodic activity reporting process.

#### Internal Audit and Assurance Reviews

8.4 For each internal audit assignment within the annual internal audit plan, a 'Terms of Reference' is drawn up and shared with the relevant managers. The Terms of Reference identifies the key risks to the achievement of Council objectives and identifies the scope of the work being carried out.

8.5 During the course of the audit, key issues are brought to the attention of the relevant manager to enable them to take corrective action. On completion of the audit, Internal Auditors communicate the results of the audit to the relevant Service Manager.

8.6 The completion of each planned assignment leads to individual reports to Service Managers, Service Directors and Strategic Directors and these include an opinion on the control framework in place to manage the risks in the area reviewed. These opinions, together with knowledge of issues identified in other audit work, assist the Chief Internal Auditor in providing an overall opinion on the control environment to management for the Annual Governance Statement.

#### Fraud and Irregularity work

8.7 Internal Auditors plan and evaluate their work to have a reasonable chance of detecting fraud; however the managing of the risk of fraud and corruption is the responsibility of management.

8.8 The Council's Anti-Fraud, Bribery and Corruption Policy requires the Chief Internal Auditor to be informed of all suspected or detected fraud. A fraud risk assessment is performed on all suspected or detected fraud which determines whether the irregularity is investigated by Internal Audit or by the relevant directorate with support from Internal Audit where required.

8.9 Investigation of fraud and corruption is carried out in compliance with statutory requirements and the fraud investigation protocol, by staff with the necessary skills to do so.

8.10 In addition to determining the extent of the fraud, attention is given to correction of any control failures to prevent recurrence of the fraud.

8.11 As well as responding to incidents of fraud and corruption, Internal Audit staff maintain and deliver a programme of pro-active fraud prevention and detection work including national initiatives to prevent and detect fraud and testing of priority fraud risk areas.

8.12 The Chief Internal Auditor has also been nominated as the Council's 'reporting officer' under the Money Laundering Act 2007.

#### Risk Management and Governance Work

8.13 A programme of work is undertaken to enhance understanding of effective risk management across the Council and embed a culture of appropriate risk taking.

8.14 As well as reviews of governance processes included in the risk based plan, Internal Audit lead on the Annual Governance Review across the Council including the gathering of assurances and the preparation of the Annual Governance Statement.

#### Consultancy Reviews as Requested/Required

8.15 Internal Audit provides both statutory and discretionary services. Discretionary services provided by Internal Audit are a form of consultancy. These services may be on request by management or the Council, or recommended by Internal Audit. Each of these reviews has a clearly defined and agreed Terms of Reference with agreed timescales for completion of the work and agreed reporting format.

8.16 In addition to planned audit reviews, Internal Audit advise on the internal control implications of new systems being implemented across the Council. Internal Audit are involved in change programmes from the outset and consulted as required.

8.17 The Chief Internal Auditor ensures that no conflicts of interest arise from undertaking any consultancy work **by reviewing the scope of the work to be undertaken and maintaining Internal Audit's independence from management functions.**

**8.18 Where significant consultancy reviews are commissioned in year, outside of the approved plan, then Audit Committee approval is sought in advance.**

#### External Clients

8.19 Internal Audit provides internal audit services and assurances to a number of public sector clients including the Avon Fire & Rescue Services and Academies. Further assurance and consultancy work has also arisen from the Trading with Schools function.

#### 9. Resources and Skills

9.1 In order to ensure an adequate and effective internal audit function is maintained, Internal Audit must have adequate budgetary resources to maintain organisational independence and be appropriately staffed in terms of numbers and skills. The Chief Internal Auditor is responsible for ensuring that resources and skills in the audit team are in place. Where resources available are felt to be insufficient to deliver the annual audit plan, the Chief Internal Auditor will advise the s151 Officer and the Audit Committee of this.

9.2 The staffing structure of Internal Audit is divided into three key areas:

- Assurance – dedicated to delivering the planned and unplanned assurance work
- Fraud and Value for Money – dedicated to both pro-active anti-fraud risk work and responding to fraud and irregularity reported to Internal Audit
- Risk, Governance and Service Development – leading on risk management, governance including the preparation of the Annual Governance Statement and driving the Internal Audit service development.

9.3 Internal Audit staff comprise a mixture of qualified accountants, auditors and fraud investigators as well as a number of trainees. These include general audit skills in respect of

reviews of internal control, risk and governance and appropriate specialism in areas such as computer audit, contract audit and investigation of fraud.

9.4 Where audits require access to specialist expertise and knowledge that is not available within the audit team, the advice of specialist experts from within the Council, or, as necessary, externally is sought.

9.5 A continuous review of training and development required for all Internal Audit staff is undertaken as part of the Corporate 'My Performance' framework. These requirements are developed into a Training Strategy with a specific resource for training and development determined annually.

## **10. Reporting, Follow Up and Escalation Procedures**

10.1 Following the completion of all audit assignments an internal audit report is issued containing an opinion on the control environment. The report identifies concerns and prioritises recommended improvement actions based on the level of risk resulting from the control weakness. The appropriate Service Manager, Service Director and/or Strategic Director is asked to respond to the report agreeing, or otherwise, to implement the recommendations and assigning responsibility and time-scales for doing so.

10.2 Where the overall level of risk to the Council is significant, and in agreement with management, an early and 'Interim' report is issued. This occurs when it is considered that recommendations can be implemented quickly and retested by Internal Audit as part of the audit work programme to enable a stronger control environment to be achieved in a timely way. The audit opinion will then take into consideration the levels of risk after the early implementation of recommendations if this is confirmed.

10.3 Where the overall level of risk to the Council remains significant, whether 'Interim' reporting occurred or otherwise, the implementation of recommendations is followed up in line with the follow up and escalation procedure established by the Chief Internal Auditor.

10.4 Under the escalation element of this procedure, any significant recommendations which are either not accepted or not implemented may be reported to SLT and the Audit Committee, who may call the appropriate manager to account for failure to correct the control environment.

10.5 The Chief Internal Auditor routinely reports to the Audit Committee providing periodic reports and an annual report of Internal Audit activity with details of significant control issues identified by audit work. The annual report provided by the Chief Internal Auditor includes the required opinion on the risk management and control arrangements in place and as such is an essential assurance to management in making their Annual Governance Statement.

## **11. Performance**

11.1 The PSIAS require the Chief Internal Auditor to have a performance management and quality assurance framework in place to demonstrate that the Internal Audit Service

- Meets its aims and objectives
- Meets internal quality standards

- Is effective, efficient and continuously improving
- Is adding value and assisting the organisation in achieving its objectives.

11.2 The performance, quality and effectiveness of Internal Audit is measured in a suite of performance indicators which are maintained locally and reported to the Audit Committee. These include qualitative targets concerning auditee feedback in the form of Quality Assurance Questionnaire scores which are issued to auditees following the completion of each audit.

11.3 Internal audit operates a system of close supervision of audit work and management review of audit files to ensure each audit has been completed to standard. Internal Audit reports are signed off by the Chief Internal Auditor prior to issue.

11.4 Internal Audit continually self-assesses its performance against achievement of its aims and objectives. It also benchmarks key elements of its service. The PSIAS requires Internal Audit to put in place a Quality Assurance and Improvement Programme (QAIP) including periodic self-assessments and externally validated self-assessments against compliance with the PSIAS. A formal action plan is prepared following each self-assessment.

11.5 The external validation of Internal Audit's self-assessment against PSIAS is undertaken through a peer review programme with Core City Local Authorities. This provides assurance over the effectiveness of Internal Audit and also an opportunity to benchmark and share good practice across comparable services.

11.6 The outcomes of self-assessments and external validations are reported to the Audit Committee.

## 12. Collaboration and Liaison with Other Auditors

12.1 The External Auditor has a statutory duty to express an opinion on the Council's financial statements and a Value for Money opinion on its arrangements for securing economy, efficiency and effectiveness. In doing so, there is potential for duplication of work completed by Internal Audit, particularly now that International Standards for Auditing (which apply to External Auditors) require a more detailed understanding of systems. Wherever possible, the Chief Internal Auditor seeks to co-ordinate the work of Internal Audit with that of the External Auditor through sharing of plans and quarterly liaison meetings.

12.2 The Chief Internal Auditor also liaises with equivalents in neighbouring local authorities where services are shared or delivered jointly. Liaison is also ongoing with equivalents in Core City Local Authorities.

## 13 Strategic Statement

13.1 The PSIAS require internal audit's risk-based plan to incorporate or link to a strategic or high-level statement of:

- How the Internal Audit service will be delivered
- How the Internal Audit service will be developed

- How the Internal Audit service links to organisational objectives and priorities.

13.2 Following the 2016 Council elections and change of administration the Council is developing revised strategic objectives and corporate plans for the next 4 years. The Council continues to face significant financial challenge through changes to the central funding regime.

13.3 Internal Audit will contribute to the achievement of the Council's objectives by:

- Providing objective assurance on the Council's internal control, governance and risk management arrangements
- Identifying and reporting significant risk exposures and control issues and making recommendations for improvement
- Promoting a robust and proactive approach to fraud identification and investigation
- Promoting effective internal control risk management and governance arrangements across the Council
- Supporting the development of Council services through appropriate consultancy work and advice
- Mapping the assurances available from management and external sources over key governance systems and processes
- Focussing on monitoring compliance with statutory requirements and Council systems to ensure consistency in the use of Council resources
- Focussing in all its work on the identification of opportunities for improving value for money in the delivery of Council services
- Working in constructive partnership with the new Mayor, the new Audit Committee and Council management.

13.4 Internal Audit services will be delivered through its core staff, drawing in additional expertise from within the Council and externally as needed.

13.5 Reliance will be placed where appropriate on other sources of assurance, both internal and external. External sources of assurance will include Government Inspectorates, the Council's External Auditor and the Internal Audit Services of neighbouring local authorities where services are shared or delivered jointly.

13.6 The Internal Audit service will be developed through:

- Keeping its plans under close review so it can respond flexibly to changes in the City Council's priorities and risks
- Feedback from users of the service including management, the Audit Committee and the External Auditor

- The QAIP and internal self-assessment of compliance with the PSIAS with periodic external validation of the self-assessment
- Sharing of good practice and benchmarking with the Internal Audit services of the Core Cities Local Authorities and liaison with Internal Audit Services of neighbouring local authorities
- Having due regard to other sources of good practice such as CIPFA and the CIIA
- Training and development for staff identified through the Council's 'My Performance' staff performance management scheme, through management supervision and by Internal Audit staff themselves
- Responding to opportunities to work more efficiently, taking advantage of developments in 'agile working' and new technology
- Marketing of services to expand the client base to which Internal Audit provides services.

13.7 As the Council develops and implements its strategy for 2016/17 to 2019/20 so Internal Audit will develop this strategic statement into a formal strategy covering the same period.

#### **14. Review of the Internal Audit Charter, Terms of Reference and Strategic Statement**

14.1 In accordance with the PSIAS, the Internal Audit Charter, Terms of Reference and Strategic Statement is reviewed annually and presented to the Audit Committee for reconsideration and approval.

Chief Internal Auditor

Reviewed: June 2016

Approved by Audit Committee 24 June 2016



# BRISTOL CITY COUNCIL

External Audit Progress Report  
June 2016



# INTRODUCTION

This report is intended to provide the Audit Committee with an update of our audit work for 2015/16.

Auditors' principal objectives are to review and report on, to the extent required by the relevant legislation and the requirements of the Code of Audit Practice for Local Government, the audited body's:

- financial statements
- arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are also required to certify specified grant claims and returns as directed by Public Sector Audit Appointments Ltd.

We will assess whether the arrangements put in place by the Council will allow us to complete our work by the expected deadlines and whether there are any issues that are likely to have a significant impact on our ability to provide unmodified audit reports and opinions.

This will be included as a "RAG" assessment in the report. We have yet to perform any substantive work at the Council and therefore the green rating against each area is an initial assumption that will need to be confirmed as part of our interim work.

ASSESSMENT		EXPLANATION
RED		Unlikely to be able to meet reporting deadlines, significant concerns over governance or finance, or expected modification of audit report or opinion.
AMBER		Some concerns around meeting reporting deadlines, some concerns over governance or finance, or potential risk of modification of audit report or opinion.
GREEN		On target to meet deadlines and no current concerns over governance or finance.

We have also included for your information references to recent publications and emerging issues relating to local government as an attachment to this report.

### Additional work agreed with the Council

We have agreed to audit the grant claim for the Local Authority Major Transport Scheme. The claim was certified by us in May 2016, with a fee of £4,500.

# SECTOR UPDATE

AUDIT AREA	SCOPE	PROGRESS	OUTPUTS / DATE	RAG
<b>PLANNING</b>				
Audit plan	We are required to report to you the results of our audit planning, our risk assessment and the proposed audit response to significant audit risks ahead of commencement of the audit work.	We have had regular meetings with the Director of Finance, which have also been attended by internal audit. We have discussed audit deliverables and timetables. We have undertaken detailed planning work in January and have prepared an audit plan issued to the Audit committee in March 2016.	<p><b>Planning Letter 2015/16</b></p> <p>Issued April 2015 and reported to the Audit Committee on 24<sup>th</sup> April 2015. This set out our audit fees for the year</p> <p><b>Audit Plan 2015/16</b></p> <p>Issued to the Audit Committee on 11 March 2016.</p>	
<b>ACCOUNTS</b>				
Review of internal controls	Audit of the significant financial systems that support the financial statements to be completed before draft accounts are prepared.	This was covered as part of our planning and interim work in January. Testing was carried out on the controls to confirm they are operating in line with expectations. There were no issues arising from the review of financial systems, which has been fed back to the Finance Team.	<p>The results of the work have been taken into account in directing our audit strategy for the audit of the financial statements.</p> <p>No recommendations have arisen based on the work undertaken at the planning stage of the audit.</p>	
Financial statements audit	<p>Audit of the draft financial statements to determine whether they give a true and fair view of the Council's financial affairs and the income and expenditure for the year.</p> <p>Deadline for issue of audit opinion and publication of the statement of accounts is 30 September 2015, although we are working towards a deadline of 31 August 2016.</p>	The scope of the audit and risk assessment have been revisited following our review of the effectiveness of internal controls and review of the draft financial statements received. The on-site audit work is due to commence on 27 June 2016. We are currently progressing as expected, with no significant issues arising.	<p><b>Audit findings and conclusions being reported in the Final Report to the Audit Committee on 25 September.</b></p> <p>Target issue date August 2016.</p> <p><b>Opinion on the financial statements</b></p> <p>Target issue date August 2016.</p>	
Whole of government accounts audit	<p>Audit of the consolidation pack for consistency with the audited statement of accounts.</p> <p>Consolidation pack opinion - deadline 2 October 2016.</p>	To be completed in August 2016.	<p><b>Opinion on the WGA Consolidation Pack</b></p> <p>Target date 2 October 2016.</p>	

# SECTOR UPDATE

AUDIT AREA	SCOPE	PROGRESS	OUTPUTS / DATE	RAG
<b>USE OF RESOURCES</b>				
Review of arrangements to secure economy, efficiency and effectiveness	<p>Review of use of resources based on:</p> <ul style="list-style-type: none"> <li>proper arrangements in place for securing financial resilience</li> <li>proper arrangements for challenging how the Council secures economy, efficiency and effectiveness.</li> </ul> <p>Conclusion to be given alongside the accounts opinion by the deadline of 30 September 2016 (target end August 2016)</p>	<p>Throughout the year we will have regular liaison meetings with management to discuss any significant concerns in relation to the use of resources. We will also review and take in to consideration results of inspections and reviews carried out by other regulators. Detailed work commenced in June 2016.</p>	<p>Audit findings and conclusions will be reported in the Final Report to the Audit Committee on 25 September.</p> <p>Target issue date August 2016.</p> <p>VFM conclusion</p> <p>Target issue date August 2016.</p>	
<b>REPORTING</b>				
Annual Audit Letter	Public-facing summary of audit work and key conclusions for the year. To be finalised by 31 October 2016.	This will follow completion of the Audit.	<p><b>Annual Audit Letter</b></p> <p>Target issue date October 2016.</p>	
<b>GRANTS CERTIFICATION</b>				
Grants and returns	To audit and submit grant claims and returns by the relevant deadlines.	Work in progress.	All <b>grants claims and returns</b> to be audited in line with the agreed timetable and deadlines. First Venturer claim has been certified. Claim for Major Transport Scheme certified by the deadline of 31 May 2016.	
Grants Report	Summary of our certification work completed on 31 March 2016 claims, to be issued by December 2016	To be drafted after certification work concluded.	<b>Grants Report</b> to those charged with governance to be issued by December 2016.	

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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# Audit Committee

24 June 2016



**Report of:** Shahzia Daya, Interim Service Director – Legal and Democratic Services

**Title:** **Honorary Aldermen nominations**

**Ward:** N/a

**Officer Presenting Report:** Steve Gregory, Democratic Services Officer

**Contact Telephone Number:** 0117 92 24357

## Recommendation

**That the Audit Committee considers the nominations for Honorary Aldermen, as nominated by the respective political groups, and makes a recommendation to Full Council on the appointment of new aldermen.**

## Summary

To enable the committee to consider and decide which nominations should be recommended to Full Council for approval.

## The significant issues in the report are:

As set out in the report and the appendix to the report.



## Policy

1. This report is submitted in accordance with the Council’s policy on the arrangements to be followed in respect of the granting of alderman status to former members of the Council.

## Consultation

2. The nominations were submitted by the party group whips, on behalf of their respective party groups.

## Context

3. Section 249 of the Local Government Act 1972 empowers the Full Council, by a resolution passed by not less than two-thirds of the members voting at a meeting specially convened for the purpose, to confer the title of Honorary Alderman on a person who has, in the Council’s opinion, rendered eminent services to the Council as a past member.
4. The Full Council has agreed that the Audit Committee, in its role of monitoring and ensuring ethical standards and probity within the Council, should ensure that all Honorary Alderman nominations meet the set criteria, and accordingly recommend appointments as appropriate.
5. The criteria governing the appointment of aldermen was reviewed by the Audit Committee during the 2015/16 municipal year. The committee’s recommended criteria were approved by the Full Council on 15 March 2016, and are as follows:

**An individual will be eligible for nomination and appointment to the role of Honorary Alderman/woman provided that he/she is no longer a serving councillor with Bristol City Council and has provided eminent service to the Council throughout a long and distinguished period of public service by either:**

- a. **Serving as a Bristol City Councillor for an aggregate total period of at least 10 years;**

*or*

- b. **Holding a significant position of public responsibility with Bristol City Council as either:**
  - **Lord Mayor;**
  - **Elected Mayor;**
  - **Deputy or Assistant Mayor;**
  - **Leader of the Council;**
  - **Executive Member;**
  - **Any other position attracting the payment of a Special Responsibility Allowance under the Council’s approved members allowance scheme (excluding attendance at the Appeals Committee).**

6. An Honorary Alderman may attend and take part in such civic ceremonies as the Council may from time to time decide. Aldermen are not entitled to receive any member allowances or other payments of allowances, expenses etc. Whilst a person who is a serving city councillor cannot be made an Honorary Alderman, the Act does appear to envisage that a person on whom this honour has been conferred may subsequently be re-elected as a councillor. In these circumstances, the Act specially provides that no Honorary Alderman shall, whilst serving as a city councillor, be entitled to be addressed as Alderman or to attend or take part in any civic ceremonies of the Council as an Alderman.
7. Honorary aldermen substitute for the Lord Mayor or Deputy Lord Mayor on a relatively infrequent basis. They are also invited to all major civic events, church services and Council meetings. They have no other formal role. Honorary aldermen may, from time to time, be nominated to serve as the Council’s representative on specific outside bodies.
8. The Council has agreed that the Honorary Aldermen’s Association should be supported but that no support should be provided for aldermen on an individual basis.

#### **Proposal**

9. Nominations received for the appointment of Honorary Aldermen are set out below.
10. The Labour group has nominated former councillors Bill Payne, Jenny Smith and Mike Wollacott.
11. The Conservative group has nominated former councillors David Morris and Alastair Watson.
12. The Green group has nominated former councillors Gus Hoyt, Tess Green, Rob Telford, Tim Malnick and Ani Stafford-Townsend.
13. The Liberal Democrat group has nominated former councillors Simon Cook, Christian Martin and Glenise Morgan.
14. Statements/ details in support of the nominations, as supplied by the political groups are set out in Appendix A.

#### **Other Options Considered**

15. Not applicable.

#### **Risk Assessment**

16. Not applicable.

#### **Public Sector Equality Duties**

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.

## **Legal and Resource Implications**

### **Legal**

As set out in the report.

**(Legal advice provided by Shahzia Daya, Interim Service Director – Legal & Democratic Services)**

### **Financial / Land / Human Resources**

Not applicable.

## **Appendices:**

**Appendix A** - Statements/ details in support of the Honorary Aldermen nominations, as supplied by the respective political groups.

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

### **Background Papers:**

- Full Council minutes – 15 March 2016

**Appendix A - Statements/ details in support of the Honorary Aldermen nominations, as supplied by the political groups.**

**Statement from the Labour group in support of the nomination of Bill Payne:**

“Details of Bill Payne’s service:

- Labour councillor for Frome Vale Ward 2005-2009 and 2012-2016 (has lived in Frome Vale for almost 40 years)
- Member of the Planning Committee
- Member of Licensing Committee, chairing numerous subcommittee sessions
- Member of Downs Committee
- Member of Health Scrutiny Commission during first term as councillor
- Member and Co-Chair of Physical and Sensory Impairment Partnership Board during second term as councillor
- Member of Avon Fire Authority
- One of the things most proud of during time as councillor is being the council appointee to the Bristol Hospital Education Service Board of Governors. Became Chair of Governors and during the tenure BHES was seen by OFSTED to be an ‘Outstanding’ school.
- Was appointed to the Chair of the Bristol Threatened History Society
- During first period of councillor, was elected by the Labour Group to be Deputy Whip (Group Treasurer).
- Vice-Chair of Labour Group (2013-16)

Bill Payne has also submitted this comment personally: “The achievement I would like to be remembered for is working with the residents of Frome Vale to improve the quality of life; in other words the case work. Helping with housing problems, with waste collection issues and helping disabled and elderly residents access home improvements that can make a huge difference to their quality of life. Working with the Independent Living Fund group to help oversee the changes and make them as painless as possible. Discussions with site developers to see what can be done to mitigate disruption to the surrounding residents.

I have always maintained that it’s these ‘little’ things that make a huge difference to people’s lives and its ward councillors who are best placed to help and solve these issues. And, of course, being a Labour councillor.”

**Statement from the Labour group in support of the nomination of Jenny Smith:**

“Details of Jenny Smith’s service:

Terms served as a Labour Councillor:

- Avon Country Councillor for Henbury 1985 – 1993
- Southmead – Avon County Councillor 1993 – 4
- Southmead - Councillor for Avon and Bristol during the transition stage 1994 – 5.

Bristol City Councillor Unitary Authority from 1994 – 2016  
(8 years Henbury – 23 Years in Southmead)

Positions held on Avon County Council 1985 – 1995:

- Avon – Labour Lead for the Gypsy and Traveller committee
- Avon – Assistant Whip with David White
- Member of Social Services for the whole of the time she was on Avon.
- Was on the Avon and Somerset Police Committee from 1985 – 1995
- Represented Avon County Council on Southmead Health Authority which is now North Bristol Health Trust 1985 –1992.
- Also a member of the South West Provincial Council - which covered Avon & Regional Staff Employment Issues.
- Avon Highways and Transport Committee 1985 – 1986, 1994 – 1995.
- Represented Avon County on Berkley and Oldbury Power Stations area as an Avon County Council representative.
- Nominated by Avon County as a Member of the Bristol University Court from 1985 – 1995.

Bristol City Council:

- 1996 - 1999 Vice Chair of Social Services.
- Chair of Social Services.
- Cabinet Member for Health and Social Care until 2002.
- Took over Social Services with a budget which was 23% above SSA and got it down to 11.5% in 3 - 4 years.
- 2002 – 3 Cabinet Member for Sustainable Development, Equalities and Social Justice:
- Put in the first Wind turbine at Avonmouth to test its viability.
- As Chair of H & SC was on the Joint Consultation Committee for Health, Social Care and Housing where Alderwoman Celia Lukins and initiated the first Very Sheltered Housing Policy for Older People, and agreed we would build 600 properties.
- Nominated by the City as a Member of the Bristol University Court on a number of occasions and am currently re-nominated.
- Served as a Non-Executive Member of United Bristol Health Trust 1998 – 2002.
- Member of Bristol Personnel and Central Services Committee 1995 – 6.
- Avon and Somerset Police Committee – Bristol City Representative from 1997 – 8.
- Bristol Nominee to Bristol Community Health Council on two separate occasions for a number of years. Convened working parties and collated and wrote reports during that time. This ceased when she became a Non Exec Member of United Bristol Health Trust.
- Bristol Nominee Consultee on South West Environment Committee – approximately four years.
- Chair of the Bristol Prostitution Forum.
- Councillor Representative on the Southmead Development Trust, formerly called the Greenway Trust from 1994 – 2016.

Bristol City Council Committees 1993 – 2016:

- Social Services
- Health and Social Care
- Environment Committee
- People Committee
- Licensing
- Rights of Way
- Staff Appeals
- Housing, and involved in 2 Housing Special Working Parties.

Other activities:

- Governor over the years of 14 Schools, 13 of them were in the city of Bristol.
- Given a long term award in 2011 when she stood down from Little Mead Primary School in Southmead.
- Received four B Tecs awards for Training and certificate from Warwick University in Local Authority management.”

**Statement from the Labour group in support of the nomination of Mike Wollacott:**

“Details of Mike Wollacott’s service:

- Labour councillor for Brislington East 2010-16
- Regards it as an honour and a privilege to represent the good people of Brislington East over the past 6 years. It has been a particularly challenging period for local government, but a progressive narrative put forward by the vast majority of local councillors has helped to mitigate the worst impact of central government cuts.
- During this time, he has been actively involved with the Greater Brislington Neighbourhood Partnership, ensuring that local infrastructure is maintained and enhanced. He is particularly pleased that through this forum, protection was given to the area’s green spaces and library service.
- Member of Licensing Committee since 2010.
- Member and Chair (for one year) of Quality of Life scrutiny commission.
- Member of HR Committee since 2010.
- Chair of HR Committee in recent years:
  - Pushed for greater support for front line staff and the introduction of the Living Wage, as well as pushing opposition to the Trade Union Act to help to preserve a good working relationship with our in house trade unions.”

**Statement from the Conservative group in support of the nomination of David Morris:**

“It is with great pleasure that my group has chosen to put forward my former City Councillor colleague David Morris to be made an Honorary Alderman of the City and County of Bristol.

David doubly meets the criteria for this award having completed well over the required minimum ‘period of service’ and through service ‘in a position of significant public responsibility on behalf of the Council’.

Many will not be aware that he represented a Bristol Ward, Stockwood, both on Avon County Council (1993-96) and then after a brief interregnum, on the City Council itself from 1999-2016.

During his time with the authority, David has been Chairman of the Social Services & Health Scrutiny Commission (2005) and chaired the Public Safety & Protection Committee. He has been Vice-Chairman of the Children’s Scrutiny Commission, as well as being a long-standing Member of the Licensing Committee. In addition to these responsibilities, David gave diligent service on the Corporate Parenting Panel; numerous Appeals Committees; and sat on a number of outside bodies.

These include the Bristol Foster Care Panel; Bristol Trust for the Deaf; and spent one year as a Council representative/Director on the Board of the Bristol Port Company.

Furthermore, David is fondly remembered for the time he spent as Deputy Lord Mayor from January-May 2013. The position had suddenly become vacant due to Cllr Geoff Gollop taking up the finance portfolio in the new Elected Mayor's first Cabinet. Together with his wife Kathryn, they fulfilled their respective duties in this important supporting role with customary good humour and friendliness.

The bare facts of this service do not do justice to the calibre of councillor concerned. For many years now, David has carried out his democratic and civic duties despite increasingly deteriorating health. He has borne this burden without complaint or self-pity. The way he has countered these physical challenges is really quite inspirational.

Aside from working tirelessly for the people of Stockwood, David has a long record of supporting children's and church charities in his ward. A former employee of the Cadbury's chocolate factory in Keynsham, he often donated confectionary for consumption or auction. Kath's baking skills have also been frequently in demand on these occasions. When his health allowed, David regularly appeared as Father Christmas at parties held for disadvantaged children.

David Morris was an exemplary Member of Council, loyal, steadfast and utterly dependable. He has always maintained the highest standards in office and continues to be well-loved and respected by politicians drawn from across the Party-divide. His contribution to public life has been noteworthy and memorable. As such, he is deserving of this award and recognition. In sum, his place in the city's Aldermanic ranks has been well-earned."

**Statement from the Conservative group in support of the nomination of Alastair Watson:**

"Alastair Watson was first elected to serve Westbury-on-Trym Ward in May 2010. He was re-elected in May 2014 until May 2016. During these six years, he has held a number of 'significant positions of public responsibility' which easily satisfies the qualifying criteria of what is deemed to constitute 'eminent service' to the Council. Most notably, Alastair was appointed Lord Mayor of the City & County of Bristol from 2014-15, later serving as Deputy Lord Mayor from 2015-16.

Together with his wife Sarah, they made a formidable couple as Lord Mayor and Lady Mayoress, fulfilling this role with great distinction. It is widely accepted that they brought a fresh sensitivity, friendliness and intelligence to their respective roles whilst in office. Alastair also used this time to help raise money for good causes (Lord Mayor's Children Appeal) by memorably running the Bristol Half Marathon in his Mayoral robes; joining Father Christmas on a festive float; and hosting the first annual Lord Mayor's Gala Dinner, which generated £20k proceeds to charity.

In addition, he held a business summit on employment and skills for disadvantaged young people which led, in turn, to the task force to set up the Bristol Engagement Hub for employment in high-tech and creative industries at the newly established Temple Quarter Enterprise Zone.

Alastair was Cabinet Member for Children, Young People & Skills (CYPS) in Mayor George Ferguson's first 'Rainbow' Cabinet (February – May 2013), and before that was the Chairman of the Children's Services Scrutiny Commission 2011-2013. He served as a lead Member on the Education & Skills Mayoral Commission which was convened to find better ways of helping young people develop and

get into work. As well as chairing the Learning City Action Group (2015-16) which engaged with local employers to develop the Engagement Hub on the TQEZ, Alastair is an energetic member on the Learning for and in Work Challenge Group.

During his time on Council, he has sat on many of the main scrutiny bodies, namely: Audit; Quality of Life; Resources; Place; and People Scrutiny Commissions. Whilst these roles did not attract an SRA for the strict or narrow purposes of determining eligibility for this nomination, they represent a record of his having made a significant contribution to civic life and public service.

As a Ward Councillor, Alastair was particularly active in supporting the Westbury-on-Trym Business Association; has been a strong advocate in representing the interests of his constituents; working for improved play facilities in Canford Park; and supporting community initiatives through the local Neighbourhood Partnership.

Finally, aside from his commitment to helping young people, mention should be made here of Alastair's continuing involvement in a wide range of voluntary work. He is currently Honorary President of the 1830 Squadron Air Cadets; remains a British Rowing national umpire; Chairman of the Bristol-Hannover-Bordeaux Twinning 70<sup>th</sup> Anniversary celebrations 2017; and is a member of the Local Enterprise Partnership High-Tech Sector Group which seeks to build on our success of attracting more top rated companies (and greater investment) into the South West region.

It is submitted that all of these achievements deserve or merit wider, more public recognition through the conferment of the title of Honorary Alderman.”

#### **Statement from the Green group in support of the nomination of Gus Hoyt:**

“Details of Gus Hoyt’s service:

Years of service: 5

Significant positions held: Cabinet Member for Neighbourhoods, Party Group Whip

Reasons for nomination: Gus was the first ever Green Party Cabinet Member in Bristol. He prioritised and pushed through significant investment in renewables and energy efficiency and championed larger schemes such as tidal lagoons. He campaigned for and championed local and sustainable food systems, and initiated the return of parks and waste/recycling management as in-house Council services. He oversaw vast reinvestment to raise the standards of council housing and ensured no-one was evicted due to the 'Bedroom Tax'. Gus also pioneered the alternative, less hierarchal, Green approach to the role of party whip.”

#### **Statement from the Green group in support of the nomination of Tess Green:**

“Details of Tess Green’s service:

Years of service: 4

Significant positions held: Group leader

Reasons for nomination: Tess was elected in 2010 and for this year served as the sole Green councillor, taking on roles in two scrutiny commissions and a planning committee. The following year saw the

formation of the first Green political group on the council with Tess as leader. She fulfilled this additional role with enthusiasm, contributing to every council meeting and steering important resolutions such as forming a Bristol Energy organisation and for the city to be a part of the national drive to expose and terminate the practice of ‘black listing’.

Tess was also an active member of the council leaders’ group and was able to help guide key decisions such as the application for European Green Capital status and the response to the Occupy movement when they formed a camp on College Green.

Her workload was particularly heavy during her time as leader because the Green group was small but at the time many cross-party working groups were in progress, requiring a representative from each political group. These cross-party groups spanned the gamut of council activity from care for the elderly to youth provision and included the particularly problematic Parks and Green Spaces policy and the rapidly changing Highway Maintenance approach. There was little administrative assistance and no extra financial help from the council to the small Green group at the time, and so the councillors bore the whole burden of work for the Green Group’s contribution.

Tess did not defend her seat in 2014 feeling that it was important to give way to younger activists. To try to change the age and gender make up of the Council was important to her as a first step towards a council that properly represented the population of the city.

Since ceasing to be a councillor she continues to serve the community actively as member or chair of various groups including the Environmental Group of the Neighbourhood Partnership.”

#### **Statement from the Green group in support of the nomination of Rob Telford:**

“Details of Rob Telford’s service:

Years of service: 3

Significant positions held: Party Group Leader, Party Group Whip

Reasons for nomination: Rob led the largest Green councillor group in the country through its first 6 months and managed its growing pains. A tireless campaigner for democratic reform, unafraid to court controversy by calling in cabinet decisions and presenting an alternative Green vision.”

#### **Statement from the Green group in support of the nomination of Tim Malnick:**

“Details of Tim Malnick’s service:

Years of service: 2

Significant positions held: Chair of Business Change & Resources Scrutiny Committee

Reasons for nomination: Tim was Chair of Business Change and Resources Scrutiny Committee 2014 – 15, the first Green councillor to Chair a Scrutiny Committee in Bristol. He successfully introduced a more collaborative approach to scrutiny, receiving acknowledgement from fellow committee members of all parties, and council officers alike, for enabling an atmosphere of greater trust, respect and shared inquiry. This approach was recognized independently by the Centre for Public Scrutiny, who said:

“An area of significant improvement on last year – both reported to us and our observations – is around budget scrutiny. We believe that efforts over the year by both members and officers, notably the new Chair of Business Change and Resources Scrutiny Commission, have helped build relationships of trust and confidence between members and officers such that the officers in finance feel able to

have honest and open conversations with members in the agenda planning meetings and to share plans and information at an earlier stage. As a result the budget scrutiny process seems to have been more coherent and robust. We believe that an approach to scrutiny which emphasizes both elements of the ‘critical friend’ aspect of scrutiny and does not seek to be overly confrontational pays dividends in the long run and will enable scrutiny to be more effective”. [p8 Centre for Public Scrutiny report. March 2015].

As Chair he also initiated, co-designed and facilitated an inquiry day – we believe the first inquiry day ever held by this particular committee – into creating Bristol’s social value policy – progress on which had basically stalled. As Chair, and later Vice Chair, he worked closely with officers and city stakeholders on a social value policy working group, through all stages of policy development. The Social Value policy for Bristol was passed at cabinet by the Mayor in March 2016 and, by setting specific procurement targets for different types of organization, as well as including social value creation as a criteria of all council procurement, is likely to make a real and lasting difference to small, voluntary, community organisations and to social businesses across the city.”

### **Statement from the Green group in support of the nomination of Ani Stafford-Townsend:**

“Details of Ani Stafford-Townsend’s service:

Years of service: 1

Significant positions held: Party Group Leader, Chair of Development Control B Committee

Reasons for nomination: Despite her short time in office, Ani had a significant impact on the work of the council, using her leadership role to successfully campaign for the Council to open some of its empty buildings to the homeless in winter 2015/16. She also campaigned on affordable housing and refuge provision for domestic violence survivors, with powerful speeches at Full Council. In the 2016/17 budget, Ani proposed the successful Green Party budget amendment which ensured £14.5m for vulnerable Bristolians in the form of the Adult Social Care Precept.

In her role as Development Control B Chair, Ani proposed and started changes within the planning committee process to enable greater understanding and engagement with Bristolians. This included the implementation of a CPD program for planning officers to enable them to present the most time-effective and comprehend-able presentations within DC committees. Ani also oversaw the committee procedure for the very controversial 'dirty power' stations applications. Her effectiveness in the role of DC Chair was such that, on hearing of her departure from the role, one Officer remarked that she was the most effective Chair of a DC Committee he'd known and would be greatly missed.

### **Statement from the Liberal Democrat group in support of the nomination of Simon Cook:**

“Details of Simon Cook’s service:

- Simon was elected to Bristol City Council in 1999 and was re-elected four times up until when he stood down in 2016.
- Served as an Executive Member and as Deputy Leader in the Liberal Democrat administrations of 2005-7 and 2009-12.
- Simon served as the City’s Lord Mayor for the municipal year 2004-5.

- Simon was elected Leader of the council's Liberal Democrat group and then Leader of the Council in May 2012.
- Simon was the last Council Leader under the previous system of governance before Bristol's first directly elected mayor was chosen in November 2012.
- Simon is a leading advocate for the cultural life of Bristol and sat on the Boards of the Bristol Old Vic, @Bristol, Arnolfini and the Bristol Cultural Development Partnership.
- Simon also sat on the Regional Council of Arts Council England and Bristol University Council.
- Simon was a member of George Ferguson's cross party cabinet holding the portfolio for culture, sport and the business change and place directorates.
- In 2009 Simon launched the development of the Bristol Music Trust to take the Colston Hall out of direct Council control, introducing greater expertise and flexibility to the operation in line with similar venues around the country.
- Simon was a member of the West of England Local Transport Board, the Infrastructure and Place Group and the Planning, Housing and Communities Board for the year 2015/16."

**Statement from the Liberal Democrat group in support of the nomination of Christian Martin:**

"Details of Christian Martin's service:

- Christian was Liberal Democrat Councillor for Clifton East from May 2011 to May 2015.
- Chair of Place Scrutiny 2014– 2015.
- OSMB Committee Member 2015.
- Cabot Clifton and Clifton East councillor.
- Cabot, Clifton and Clifton East Neighbourhood Partnership 2011 – 2015 (Chair of NP 2013-2014).
- Member of the Avon & Somerset Fire Authority (2011-2012, 2013-2014).
- DC Central Planning Committee, (Chair 2013 – 2014).
- The Quality of Life Scrutiny Committee.
- Sustainable Development and Transport Scrutiny Commission.
- Christian actively works with teenagers and young people mentoring them in media studies.
- Christian is a member of BAFTA – British Academy of Film & Television Arts.
- Christian is an award winning Writer, Director of screen and stage plays.
- In his time as Councillor Christian received an Honorary "Friend of Easter Garden" title for the purchase for the entire city & residents of the Easter Garden off Black Boy Hill and an Award from The Corner Club ( weekly lunch club for senior members of the Clifton Community & the City) for "Outstanding Contribution to the Community"."

**Statement from the Liberal Democrat group in support of the nomination of Glenise Morgan:**

"Details of Glenise Morgan's service:

- Glenise Morgan was Liberal Democrat Councillor for Henleaze ward May 2009 – May 2016.
- Executive Cabinet Member for Care & Health 2012.
- Cabinet Advisor to Assistant Mayor (Neighbourhoods) 2014.
- Governor at Henleaze Infant School.
- Member of the Downs Committee.

- Member of the Bristol Health & Wellbeing Board 2013 – 2016.
- People Committee Member 2015 – 2016.
- Human Resources Committee Member 2013 – 2014.
- A founder member and Vice-Chair of the Friends of Henleaze Library.
- Vice-chair of the local Neighbourhood Partnership.
- As a member of the working group for Older People, she is one of the organisers and fundraisers of trips for older people who have difficulty in getting out and about. The success of these trips has generated interest from charitable groups and Glenise has developed these contacts to address the issue of lonely, isolated elderly people in our area. New activities have already been generated, such as “Contact the Elderly” groups.
- Campaigned to make the government make a long-term commitment to cycling and walking. Which included urging Bristol residents to get behind the amendment to the Infrastructure Bill - Legal obligation on the Department for Transport to set targets and investment for cycling and walking. Amendment will also make the transport secretary directly responsible for ensuring that funds are secured to promote active transport was passed.”