

Bristol City Council

Minutes of the Audit Committee

2 May 2018 at 4.00 pm



Present:-

Councillors: Jos Clark, Olly Mead, Steve Pearce, Jo Sergeant (substitute for Barry Clark), Afzal Shah, Clive Stevens

Independent member: Simon Cookson

Officers in attendance:

Shahzia Daya, Director - Legal & Democratic Services

Nancy Rollason, Head of Legal Service and Deputy Monitoring Officer

Andrea Dell, Head of Democratic Engagement and Statutory Scrutiny Officer

Ian Hird, Democratic Services

Jonathan Idle, Interim Chief Internal Auditor

Alison Mullis, Head of Internal Audit

Chris Holme, Interim Director – Finance

Tony Whitlock, Finance Manager

1. Welcome, apologies and safety information

The Chair welcomed everyone to the meeting and attendees introduced themselves.

Apologies were received from Adebola Adebayo (independent member), Cllr Barry Clark and Cllr Liz Radford.

It was noted that Cllr Jo Sergeant was attending this meeting as a substitute for Cllr Barry Clark.

The Chair drew attention to the safety information as detailed on the agenda.

2. Declarations of interest

None.



3. Public forum

The committee noted a statement received from Cllr Mark Brain relating to agenda item 4 – Proposed constitution changes, with particular reference to the proposal around an independent person chairing the Audit Committee.

At this point in the meeting, the Chair raised the following matters:

a. Date of next meeting:

Following discussion, it was agreed that the next meeting of the committee would be rescheduled from 2.00 pm on 24 May 2018 to 2.00 pm on 31 May 2018.

b. Letter received from three councillors requesting an Audit Committee inquiry around employment issues regarding former Chief Executives of the authority:

The Chair referred to a letter she had received from three councillors requesting that the Audit Committee should set up an inquiry around a number of employment issues regarding former Chief Executives of the authority. This request could not be considered at today's extraordinary meeting of the committee. Officers would be preparing a report (to be considered at the 31 May meeting of the committee) setting out the issues and recommending how the committee responds to the councillors and to the issues raised.

4. Proposed constitution changes

The committee reviewed the following documents setting out details of proposed constitutional change ahead of the 22 May Annual Council meeting:

- Appendix A - an overview of the proposed constitutional changes, together with an update on the current status of each proposal, including a summary of proposed changes to the arrangements for Full Council meetings.
- Appendix B - proposed changes to the Member Code of Conduct.
- Appendix C - proposed changes to the Member/Officer Protocol.
- Appendix D - proposed changes to the Audit Committee terms of reference, including a proposal that the committee should be chaired by an independent person.
- Appendix E - a proposal to establish a Values and Ethics Committee, and the proposed terms of reference for the committee.
- Appendix F - refreshed finance regulations and procurement rules.

The committee's comments on each of the above documents are summarised below:



Changes to the arrangements for Full Council (as summarised in Appendix A):

- a. Executive debate slot: Disappointment was expressed that the Executive debate slot at Full Council meetings was not being progressed. It was felt this would have increased public interest in Full Council meetings and enabled early cross-party engagement in policy development.
- b. Public forum: The current custom and practice around enabling councillors to substitute for / present statements at Full Council on behalf of their constituents should continue and potentially be formalised in the constitution.
- c. Petitions: The proposed increase in the petition threshold (number of signatures required to enable a petition to be debated at Full Council) would lead to a reduction in the number of petitions able to be debated at Full Council, thereby reducing citizen engagement in the democratic process.
- d. Motions: Greater flexibility should be considered around the time allocation for motions and the length of speeches to enable, where possible, both the “golden” and “silver” motions to be considered. This could include reducing the time allocation for the “golden” motion depending on the topic involved and the level of public interest.

Appendix B – proposed changes to the Member Code of Conduct:

- a. The proposed inclusion of councillors’ non-pecuniary interests as a requirement within the Code was welcomed and felt to be positive.
- b. In relation to section 1 of the Code (General conduct), it was suggested that additional narrative should be included to further explain the principle of “selflessness” as it applies to holders of public office.
- c. The revised wording of principle 4.1 (Behaving with integrity) was particularly welcomed, together with the removal of the clause about “not bringing the office of elected member or the authority into disrepute.” Members felt it was very important that they retained the freedom to be able to raise “their heads above the parapet” in drawing attention to issues of genuine concern.
- d. Discussion took place around councillor attendance at meetings. Whilst it was obviously important that councillors attended meetings of those committees they were appointed to (which was recorded and was a matter of public record), the record of attendance at meetings in itself did not necessarily reflect the degree to which councillors had actively participated at those meetings, or reflect how active and effective individual councillors were in more general terms. It was suggested that other aspects of councillor activity could be recorded (e.g. to show time spent on ward casework, or time spent participating in community meetings/activity, or preparing written submissions connected to their councillor role). It was noted that Modern.Gov may have the capability/functionality to record aspects of councillor activity other than meeting attendance.

Appendix C – proposed changes to the Member/Officer Protocol:

- a. In relation to section 6.3 (members’ rights to inspect a document) and the reference to APR 21.1 – Material relating to decisions, concern was expressed that the exemption clause for political advisors’ advice could be used to make entire documents exempt. Officers advised that this clause was thought to be statutory but this would be confirmed. If the clause was not statutory, it would be removed. If the clause was statutory, further clarification would be included to ensure that a political advisor’s advice is always in a separate exempt appendix.



- b. It was noted that the Overview and Scrutiny Management Board had recently reviewed the process and governance / protocol around the inclusion of exempt material in Cabinet / committee reports.

Appendix D – proposed changes to the Audit Committee terms of reference, including a proposal that the committee should be chaired by an independent person:

- a. The committee felt very strongly that the Chair position should be held by a councillor. The democratic accountability and the specific role councillors hold was a strength that an independent member would not have. The same applied in terms of councillors' understanding of the organisation and the views of their constituents. Concern was also expressed that the proposal could perhaps set a precedent for other committee chair positions.
- b. It was noted that CIPFA guidance stressed the need for an independently minded Chair of the Audit Committee. Whilst it was entirely appropriate for the Audit Committee to appoint independent members as per the guidance, there was no comment within the guidance to the effect the committee should be chaired by an independent member. In further discussion, members emphasised that a strong, independently minded councillor Chair was felt to be the best option.
- c. The production of a short job description for the Chair role should be considered.
- d. In terms of the membership of the committee, the "churn" in membership of the committee acted against the interests of maintaining a consistent approach; moving forwards, it would be important to limit changes to the membership and look to retain the expertise of effective, independently minded councillors.
- e. One member proposed that the appointment process for the Chair of Audit Committee could be reconsidered and that this could be a function of Full Council.
- f. It was felt that the Chair of the Audit Committee should not be a member of the Elected Mayor's political party or of the majority/largest political group.

Appendix E – proposed Values & Ethics Committee terms of reference:

- a. Concern was expressed about the extra resource required to establish a new committee and whether this could be justified in terms of the number of times that the committee was likely to be required to meet. The committee stressed, however, that a strong focus on values and ethics was important for the organisation.
- b. Clauses 6 and 8 of the proposed terms of reference should be removed as these were duplicated in the new proposed Audit Committee terms of reference.
- c. It was noted that the committee's capacity was limited and that under the new proposed terms of reference, it was likely that Audit Committee agendas would continue to be lengthy, and that additional committee meetings were likely to be required.
- d. Members proposed that rather than Full Council establishing a Values and Ethics Committee, the Audit Committee could establish a Values and Ethics Sub-Committee as a permanent sub-committee of the Audit Committee, chaired by an independent member and called to meet as needed to investigate specific issues. Membership was proposed to be comprised by one councillor from each political group, plus the independent Chair. In the case of member conduct issues, it would be preferable to not have a member of the same political group sitting on the sub-committee for that hearing.



- e. It was suggested that, if established, as part of its role, the sub-committee might be tasked with overseeing compliance with data protection requirements under GDPR.

Appendix F – Financial regulations and Procurement rules:

It was noted that these regulations / rules were being refreshed rather than being the subject of any substantial changes, and that compliance would continue to be examined by the Audit Committee.

RESOLVED –

That a summary of the comments of the committee as detailed above be circulated to the Mayor and party group leaders in order that the committee's views can be taken into account in the current review of the Council's constitution, noting that the proposed constitutional changes will be considered and determined at the annual Full Council meeting on 22 May 2018. It was noted that the comments of the committee may be included as an appendix in the 22 May annual Full Council agenda papers.

Meeting ended at 5.40 pm

CHAIR _____

