



BRISTOL CITY COUNCIL

AUDIT COMMITTEE

(DRAFT)

**Half Year Update
2019-20**

1. Introduction and Context:

- 1.1 The Committee is the primary means by which Full Council obtains assurance that governance, risk management and control systems are in place and effective. The Audit Committee's responsibilities are additional and supportive to those of the Section 151 Officer.
- 1.2 This report provides details of the Committees work this year to date and highlights to Full Council key issues that require monitoring or support from the Committee to engender improvements to the internal control, governance and risk management arrangements across the Council.

2. Key Issues

- 2.1 Details of the reports considered to date by the Committee are provided in Appendix 1.

Regulatory Framework:

- **Internal Control Environment.** Reports from Internal Audit continue to raise concerns regarding the effectiveness of the Council's control arrangements. The Committee will continue to support Internal Audit in its work to ensure control weaknesses are effectively dealt with and will, where appropriate, require responsible officers to account for control weaknesses by attendance at Committee going forward.
- **Effectiveness of Whistleblowing Arrangements:** Concerns were raised in an employee survey in this area. The Committee's work programme includes an annual review to ensure improved confidence in this area.

Risk Management:

- **IT Transformation Programme (ITTP).** The Committee note the risk profile of this programme and will continue to monitor the effectiveness of arrangements to manage those risks and deliver the IT transformation required.

Statement of Accounts:

- **Audit of Financial Statements:** The audit of the Council's financial statements has yet to be completed and as such the statements will need to be signed off outside of the statutory deadlines. It is understood that many Councils are in a similar situation following new audit arrangements but handover between External Auditors and the complexity of the City Council's operations have also been a factor.

Audit Arrangements:

- **Audit Arrangements:** The Internal Audit Team is a key and independent source of assurance for the Audit Committee and the Council. The team have experienced a number of vacancies both during and after a restructure. The Audit Committee is monitoring via update reports at each meeting, that the team is resourced to be fit for purpose in providing assurance to management and the Committee.
- **Audit Committee Membership:** The Committee should operate in an 'apolitical' environment. On considering the appropriateness of its own terms of reference, the Committee this year resolved to recommend to Full Council that Political Party Leads should

not sit on the Audit Committee and that the Committee's terms of reference should include this requirement.

Appendix 1 :

Details of Reports Considered by Audit Committee During 2019/20 Municipal Year to Date

Meeting Date	Papers Considered
28 th May 2019	<ul style="list-style-type: none"> • External Audit Update Report • Internal Audit Annual Report 2018/19 • Annual Counter Fraud Report 2018/19 • Draft Annual Governance Statement 2018/19 • Draft Statement of Accounts 2018/19
29 th July 2019	<ul style="list-style-type: none"> • External Audit Update Report • Annual Governance Statement Action Tracker • Final Annual Governance Statement 2018/19 • Updated Statement of Accounts • Internal Audit Activity Report – Q1 • Corporate Risk Management Arrangement/Policy • Corporate Risk Report • Audit and Assurance Arrangements for Council Owned Companies • Constitution Updates
September 2019	<ul style="list-style-type: none"> • Member Officer Protocol • Review of Constitutional Updates • Annual Report of the Local Government and Social Care Ombudsman • External Audit Update • Treasury Management Annual Report 2018/19 • Internal Audit Activity Report to End August 2019 • Corporate Risk Report – Q1 2019/20 • Detailed review of Corporate Risk – Asbestos Management • IT Transformation Programme
November 2019	<ul style="list-style-type: none"> • External Audit Update Report • Detailed Review of Corporate Risk – Infrastructure • Internal Audit Half Year Update Report • Counter Fraud – Half Year Update Report and Counter Fraud Policy Review • Internal Audit – Quality Assurance and Improvement Programme • Internal Audit Charter and Strategy • Treasury Management Half Yearly Report