

# Audit Committee

23<sup>rd</sup> November 2020



**Report of:** Chair of Audit Committee

**Title:** **Audit Committees Half Yearly Report to Full Council - Draft**

**Ward:** N/A

**Officer Presenting Report:** Simba Muzarurwi, Chief Internal Auditor

## Recommendation

The Committee consider and approve their half yearly report to Full Council.

Committee members review the output and improvement actions from the Audit Committee Effectiveness workshop for completeness.

Committee members consider training and development needs of the Committee going forward.

## Summary

The report provides a summary of key matters arising from the work of the Audit Committee this year to date which should be highlighted to Full Council. Key outcomes from a workshop held with Committee members to review the Committee's effectiveness are also provided.

## The significant issues in the report are:

- Key areas to highlight to Full Council from the work of the Committee – Section 2 of the attached report.
- Results of and improvement actions resulting from the recent Audit Committee Effectiveness workshop (Paragraphs 5 and 6 of this report)



## Policy

1. Audit Committee Terms of Reference.

## Consultation

2. **Internal**  
Audit Committee Members
3. **External**  
None

## Context

### Audit Committee Half Year Report to Full Council:

4. In line with the requirements of their Terms of Reference, the Audit Committee provides both an Annual Report and half year report to Full Council. The purpose of these reports is to highlight to Full Council key issues arising from the Committee's work in relation to the control, risk and governance arrangements at the Council. A half year report to Full Council has been drafted on behalf of the Committee and is attached at Appendix 1.

### Audit Committee Effectiveness Review:

5. An appropriately skilled and effective Audit Committee is key to ensuring the Council has a robust control and risk environment and annually the Audit Committee review its own effectiveness. This review was completed at a workshop of committee members held on 22<sup>nd</sup> October 2020.
6. To support discussion at the workshop, committee members were requested to self-assess arrangements against CIPFA (Chartered Institute of Public Finance and Accountancy) best practice for effective audit committees. Three key areas for improvement were identified by members of the Committee to enhance its effectiveness going forward. The table below provides details of the suggested improvements that the Committee identified and need to consider to improve arrangements going forward:

Area for Improvement	Improvement Actions
<b>Building Trust</b> in information provided by officers and in the political and governance arrangements of the Council.	<ul style="list-style-type: none"> <li>• Clarity to be given on how committee members can raise concerns for discussion at Committee.</li> <li>• Regular private meetings of the Committee Chair and the Chief Internal Auditor to take place.</li> <li>• Training for committee members in Council and group company governance and assurance frameworks</li> </ul>
<b>Access to Information</b> to enable the Committee to fulfil its terms of reference.	<ul style="list-style-type: none"> <li>• Introduce agenda conference meetings before each committee to confirm agenda and agree the information requirements of the Committee.</li> <li>• Members to use the quarterly review of audit plan to ensure it meets their assurance needs.</li> <li>• Training for Committee members to ensure their role and sources of assurance are understood.</li> </ul>

Area for Improvement	Improvement Actions
	<ul style="list-style-type: none"> <li>Escalation procedure to Monitoring Officer if requested information is not provided.</li> </ul>
<b>Working with Partner Audit Committees.</b> Understanding key partner organisations and identifying if assurances can be shared.	<ul style="list-style-type: none"> <li>Identify key partners and assurances provided</li> <li>Training for Committee members to understand roles of assurance providers in terms of partner organisations</li> <li>Develop regular engagement with Bristol Holding Audit and Risk Committee.</li> </ul>

In addition to the above actions, the Vice Chair of the Audit Committee has requested that the Committee discuss and consider further checks and balances as fitting for a democratic Mayoral Local Authority noting that Bristol's was created under its own unique statute.

7. As part of the improvement agenda for 2021/22, Committee members may wish to consider the need to establish a programme of support that involves induction training, regular briefings and updates to ensure future committees' knowledge is relevant and up to date. Some suggestions are included below for consideration and comment by the Committee.

Core Training
Induction: <ul style="list-style-type: none"> <li>Committee's role</li> <li>Bristol City Council Governance and Assurance arrangements</li> <li>Source of assurance and information requirements</li> </ul>
Governance including Partnership Governance and Assurance
Risk Management
Financial Reporting and Statement of Accounts
Any new technical accounting changes during the accounting period
Other Training
Audit Law and the role of internal and external audit
Treasury Management
Regulation and Compliance
Value for Money
Key accounting policies and any principles and practices unique to the Council and group of companies

### Proposal

8. Committee Members review the draft half year report to Full Council to ensure it reflects the issues they feel should be brought to Full Council attention at this time. The Committee approve the report for submission subject to any amendments required.
9. Committee Members review the improvement actions recorded following the Audit Committee effectiveness workshop for completeness.
10. Committee Members consider training and development needs of the Committee going forward.

### Other Options Considered

11. None

## Risk Assessment

12. The assurances provided by an effective Audit Committee to Full Council are a key part of the Council's governance framework. This report highlights potential areas where assurances require further monitoring by Audit Committee and improvement actions that will enhance the effectiveness of the Audit Committee.

## Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
    - tackle prejudice; and
    - promote understanding.
- 8b) No equality impact anticipated from this report

## Legal and Resource Implications

### Legal

N/A

### Financial

(a) Revenue – N/A

**(b) Capital – N/A**

**Land/Property N/A**

**Human Resources N/A**

**Appendices:**

Appendix A – Draft Audit Committee Half Year Report to Full Council.

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

**Background Papers:**

Audit Committee Papers.

CIPFA – Audit Committees Practical Guidance.