



# **BRISTOL CITY COUNCIL**

## **AUDIT COMMITTEE**

**Half Year Update  
2020-21**

**DRAFT**

## 1. Introduction and Context:

- 1.1 The purpose of the Committee is to provide independent assurance on the adequacy of the risk management framework, internal control environment and the integrity of the financial reporting and annual governance processes. It 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 by or support from the Committee to engender improvements to the internal control, governance and risk management arrangements across the Council.
- 1.3 In addition, the Committee has reviewed its own operation and identified some measures that will enhance its own effectiveness going forward.

## 2. Key Issues

- 2.1 Details of the reports considered to date by the Committee are provided in Appendix 1. Key messages for Full Council from this work are:

Covid 19.	<p>The Covid 19 pandemic has impacted all areas of the Council with Internal Audit suspending its activities during the first quarter of the year to enable frontline services to focus on responding to the pandemic. Internal audit resources instead focused on key year end activities to support the organisation and critical assurance provision.</p> <p>Embedded assurance regarding the Council's response to the pandemic resulted in reasonable assurance that the Council had and continues to respond effectively to Covid 19.</p> <p>A programme of pre-payment fraud testing of government business support grants by internal audit has provided a level of protection from fraudulent applications whilst balancing that with the expedience with which grant support could be distributed to support businesses.</p> <p>A quarterly approach to audit planning is now being overseen by the Committee to ensure Internal Audit effort is focussed on areas of highest risk taking into account the current fast changing environment.</p>
Control Environment	<p>The Committee continues to monitor and support work undertaken by Internal Audit to enhance the Council's control environment. As such during its meetings, the Committee receives summaries of all audits with a 'no' or 'limited' assurance opinion with relevant Senior Responsible Officers attending to provide updates and answer any questions as appropriate.</p>
Significant Governance Issues	<p>The Committee contributed to the review of the 2019/20 Annual Governance Statement to ensure it was reflective of the Council's governance, risk management and internal control arrangements and identifies actions to improve where appropriate. The significant governance issues identified and included in the Statement are:</p> <ul style="list-style-type: none"> <li>• Covid 19 in terms of the significant long term impact on delivery of the Council's objectives and challenges presented including the</li> </ul>

	<p>financial sustainability of the Council.</p> <ul style="list-style-type: none"> <li>• Special Educational Needs and Disabilities (SEND) Practice and Procedure</li> <li>• Bristol Energy Sale</li> <li>• Equality, Diversity and Inclusion</li> </ul>
Whistleblowing Procedures.	The Committee will continue to monitor improvements to whistleblowing arrangements that should enhance their effectiveness going forward.
Risk Management	The Committee continues to monitor the development and maturity of the Council's risk management arrangements
Statement of Accounts	The Committee has approved the 2018/19 Statement of Accounts and has also reviewed draft statements in respect of 2019/20.

### 3. Audit Committee Effectiveness and Development

- 3.1 An appropriately skilled and effective Audit Committee is key to ensuring the council has a robust control and risk environment. Annually the Audit Committee review its own effectiveness and a recent exercise in October 2020 has resulted in identification of three key areas for improvement to enhance the Committee's effectiveness going forward:
- **Building Trust** in information provided by officers and in the political and governance arrangements of the Council.
  - **Accessing relevant information** to enable the Committee to effectively fulfil its terms of reference.
  - **Working with partner audit committees** to understand key partner organisations and identify where assurances can be shared.
- 3.2 Improvement actions to support the Committee in enhancing its effectiveness are being developed by the Committee to support it in improving its effectiveness going forward.

**Reports Considered by Audit Committee During 2020/21 to date:**

<b>Audit Committee</b>	
<b>Meeting Date</b>	<b>Papers Considered</b>
28 <sup>th</sup> May 2020	<ul style="list-style-type: none"> <li>• 2018/19 Annual Governance Statement Actions – Update</li> <li>• 2018/19 Statement of Accounts</li> <li>• 2018/19 External Audit ISA 260 Report</li> <li>• 2020/21 Internal Audit Annual Plan Review</li> <li>• Bristol Energy Company – Statement of Accounts</li> </ul>
29 <sup>th</sup> June 2020	<ul style="list-style-type: none"> <li>• Bristol Energy Governance and Accountability</li> <li>• 2018/19 Statement of Accounts</li> </ul>
30 <sup>th</sup> July 2020	<ul style="list-style-type: none"> <li>• Quarter 4 – Corporate Risk Report</li> <li>• 2019/20 Internal Audit Annual Report</li> <li>• 2019/20 Annual Fraud Report</li> <li>• 2019/20 Audit Committee Annual Report to Full Council</li> <li>• 2019/20 Draft Annual Governance Statement</li> <li>• 2019/20 Draft Statement of Accounts</li> <li>• 2019/20 External Audit Action Plan</li> <li>• 2019/20 External Audit Progress Report</li> <li>• Bristol Holding Company Audit and Risk Committee Assurance</li> <li>• Procurement Rules Update</li> </ul>
27 <sup>th</sup> August 2020	<ul style="list-style-type: none"> <li>• 2019/20 Draft Annual Governance Statement</li> <li>• 2019/20 Draft Statement of Accounts</li> </ul>
28 <sup>th</sup> September 2020	<ul style="list-style-type: none"> <li>• External Audit Update Report</li> <li>• 2019/20 Treasury Management Annual Report</li> <li>• SIRO Assurance Report</li> <li>• Quarter 1 – Corporate Risk Report</li> <li>• Risk Management Annual Report and Improvement Plan</li> <li>• Internal Audit Activity Report 1</li> </ul>
<b>Values and Ethics (Sub) Committee</b>	
28 <sup>th</sup> September 2020	<ul style="list-style-type: none"> <li>• Regulation of Investigatory Powers Act (2000)</li> </ul>