

Audit Committee

25th September 2023



Report of: Shareholder Liaison Manager, reporting to Director of Legal and Democratic Services

Title: Bristol City Council Trading Companies Annual Comprehensive Assurance statements

Ward: N/A

Officers Presenting Report: Alex Wiseman, Chair Bristol Holding Ltd.
Chris Smith, Group Finance Director, Bristol Holding Ltd.

Andrew Martyn-Johns, Chair of Goram Homes Audit and Risk Assurance Committee with Chris Arnold, Chief Finance Officer

Phil Mawston, Independent Member of Bristol Waste Company Audit and Risk Assurance Committee with Chris Holme, Finance and Strategy Director.

Recommendation

The Audit Committee notes the annual assurance reports (Comprehensive Assurance Statements) of the Bristol Holding Group Trading companies, comprising Goram Homes Ltd. (GHL), Bristol Waste Company Ltd. (BWC) in addition to a summary report from the Bristol Holding Group Audit and Risk Committee.

Summary

This report combines for Bristol City Council Audit Committee, the reports of the Bristol Holding Group Company Audit and Risk Assurance Committees (Group ARC and subsidiary ARAC's) for the financial year 2022/23. This is an annual report with the aim of providing assurance for BCC's Shareholder function and Audit Committee of overall governance arrangements for the Council's group of wholly owned companies. It should be noted that the BHL Group ARC was disbanded mid-year once functions had transferred to the newly established subsidiary ARAC's for GHL and BWC.

The significant issues in the report are:

These assurance reports (as appended) summarise key areas of review by the ARC/ARAC' including their role in reviewing such matters as risk management and compliance arrangements within the Council's companies and reviews key systems and processes to ensure effective corporate governance arrangements are in place. The Committee's, which comprise experienced independent non-executive directors, and member operate in accordance with the provisions of the UK Code of Corporate Governance.

1. Policy

Goram Homes supports the Homes and Communities theme of the Corporate Strategy, by accelerating homebuilding in the city and increasing the supply of affordable homes and building resilient communities.

Bristol Waste Company aligns with the key theme of Environment and Sustainability by helping the city reduce its consumption of products and transform its relationship with waste, increasing recycling, repair, reuse and sharing of goods.

The Bristol Holding aligns with the theme of Bristol City Council as a Development Organisation, contributing to the priority of Good Governance, and acting as One Council, ensuring that the companies are offering good value for money and adopting more consistent procedures and processes.

Consultation

2. Internal

Not applicable

3. External

Not applicable

Context

4. Please refer to the report as appended.

Proposal

5. Please refer to the report as appended.

Other Options Considered

6. Not applicable

Risk Assessment

7. Please refer to the report as appended.

Summary of Equalities Impact of the Proposed Decision

This is a noting report and as such has no specific equalities implications.

Legal and Resource Implications

Legal

No implications arising from the recommendation.

Financial

(a) Revenue

No implications arising from the recommendation.

(b) Capital

No implications arising from the recommendation.

Land

Not applicable

Personnel

Not applicable

Appendices:

Appendix 1: BHL ARC Summary Report

Appendix 2: Goram Homes Annual Audit & Risk Committee Assurance Report

Appendix 2A: Appendix A – ARC Terms of Reference

Appendix 2B: Appendix B – Annual Assurance Statement 2022 – 2023

Appendix 3: BWC ARAC Comprehensive Assurance Statement

Appendix 3a: Appendix A – Annual ARAC CAS Draft 1

Appendix 3a1: Appendix 1 - BWC AGS statement

Appendix 3a2: Appendix 2 - BWC ARAC TOR

Appendix 3a3 and a4: BWC Appendix 3 and 4 to CAS

Appendix 3a5. BWC ARAC Report Assurance Mapping and Audit Plan

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

1. Bristol City Council Trading Companies Annual Audit and Assurance Report – Audit Committee Report, 26 July 2022

<https://democracy.bristol.gov.uk/documents/s74187/10%20-%20ARC%20Report%20Cover.pdf>

2. Update regarding Governance changes relating to the councils wholly owned companies. – Audit Committee Report, 25 September 2023

[This agenda]

Report Title:		Board/Committee:	
Bristol City Council Trading Companies Annual Audit and Assurance Report		Audit Committee	
Agenda item:	Meeting date: 25/09/2023	Non-confidential	For information
Report author:	Chris Smith Interim Group Finance Director	Author contact details:	E-mail: chris.smith3@bristol.gov.uk

Executive Summary

This is a report of the Bristol Holding Company Audit and Risk Committee (ARC) and outlines for Bristol City Council Audit Committee the work of the ARC for the financial year 2022/23. This is a report with the aim of providing assurance for BCC's Shareholder function and Audit Committee of overall governance arrangements for the Council's group of wholly owned companies. It is important to note that the last meeting of the ARC took place on the 14th February 2023, and its functions have now been transferred to the subsidiary companies' audit, and risk committees ("ARAC's").

The report summarises key areas of review by the ARC, in particular its role in reviewing such matters as risk management and compliance arrangements across the Council's companies as well as the review of key systems and processes to ensure effective corporate governance arrangements are in place. The Committee, which comprised three experienced independent non-executive directors, operated in accordance with the provisions of the UK Code of Corporate Governance.

The report focusses on key areas of independent assurance which the Audit and Risk Committee have reviewed over the last financial year including;

- Risk management arrangements
- Regulatory and environmental compliance arrangements
- Financial statements
- Information governance
- Fraud and corruption
- Internal Audit reviews
- Board Effectiveness

The subsidiary ARAC's were established following an independent review of audit and risk arrangements. As a result, the duties and responsibilities of the Group ARC were transferred to the subsidiary ARAC's during the financial year 2022/23, with the last Group ARC meeting taking place on 14th February 2023. A Bristol Holding ("BHL") representative attends all subsidiary board meetings and subsidiary ARACs in its assurance role in order to support the Bristol City Council as shareholder.

As a result, Bristol Waste ("BWC") and Goram Homes ("GH"), now have primary responsibility for risk reporting, oversight, and assurance within those companies; with each company

having their own Audit and Risk Assurance Committee, and an agreed protocol for risk escalation to the Council.

In the meantime, the Shareholder has asked that appropriate mechanisms be put in place to ensure liaison with appropriate BCC risk owners, so that companies' common risks are reflected in Group and BCC risk registers.

At the Shareholder Group meeting on the 5th of December 2022, it was agreed to continue to monitor the new subsidiary ARAC arrangements in the companies and to action the recommendations in the independent review report. This is allowing the ARAC's to develop their role more fully over the coming months.

The ARAC's are now established in both subsidiary companies, albeit BWC's has been up and running for a longer period. Considerable work has been covered, especially in BWC, since their inception, introducing policies and strengthening controls. There is still considerable ground to cover, where weaknesses in processes have been identified that require improvement to enhance organisational control, governance, risk compliance and financial management arrangements, including the need for strengthened internal audit to ensure appropriate processes and that they are adhered to.

Recommendations

Audit Committee is asked to.

Consider the submission of the Bristol Holding Group Audit and Risk Committee Report and provide observations and comments.

Link to Corporate Objectives

Effective governance, performance, and risk management arrangements.

1. Introduction / Background

- 1.1. The Council determined to re-establish Bristol Holding during 2019 with the aim of overseeing arrangements for the Council's trading companies and ensuring more consistent governance processes of scrutiny and assurance through the company boards and sub committees. Bristol Holding Company is the mechanism by which Bristol City Council oversees the delivery of the company's business plans, providing strategic alignment between the companies, the council, and the wider ambitions of Bristol.
- 1.2. Key aims for the Holding Company include having arrangements that ensure.
 - effective governance, assurance, and regulatory compliance
 - delivery of financial efficiencies across both the council and companies
 - strategic objectives of the council are clearly articulated and delivered
 - that a commercial portfolio approach is taken to the delivery of financial and social returns

- 1.3. It should be noted that all key decisions relating to the companies, such as approval and amendments to business plans, major funding considerations, and appointment of key personnel, can only be made by the Council under reserved matters – and not by the Holding Company.
- 1.4. On inception, the Holding Company determined to establish a group wide Audit and Risk Committee (ARC) to facilitate a more robust and independent approach to corporate governance issues and ensure financial integrity and propriety across the companies. The ARC first met in December 2019 and met on a quarterly basis.
- 1.5. The ARC operated in accordance with the provisions of the UK Corporate Governance Code, and acted independently from the subsidiary companies, providing a key assurance role for the Bristol Holding and subsidiary boards, and the Shareholder, by reviewing and monitoring:
 - the integrity of the financial information provided to BHL and Bristol City Council (Shareholder),
 - the Company's and the Group's systems for internal controls and risk management,
 - the internal and external audit process and auditors, and
 - the process for compliance with laws, regulations, and ethical codes of practice.
- 1.6. The Committee comprised three independent non-executive directors chaired by Alex Wiseman, a non-executive director (now chair) of Bristol Holding Ltd. Committee representation was designed to maintain independence from the subsidiaries to ensure robust review and scrutiny, whilst ensuring expertise within each sector. During the year representation was also provided by Charmion Pears, a board member of Bristol Waste Company, who like Alex has considerable experience of being a member of Audit and Risk Assurance Committees elsewhere. Mark Hallett provided significant housing sector and programme management experience.
- 1.7. BCC Audit Committee looked to the ARC to provide a level of assurance that the group of companies are operating in an effective control environment.
- 1.8. In addition to the above, a key role for ARC was to ensure adequacy of arrangements for the management of whistleblowing, fraud and compliance - reviewing the companies' procedures for prevention, detecting and countering fraud, corruption, bribery and money-laundering, ensuring 'in-confidence' arrangements for reporting any wrong-doing, and ensuring proportionate and independent investigations are undertaken with appropriate follow-up.
- 1.9. In November 2021, Bristol City Council Audit Committee considered a report on the management actions in response to the two Grant Thornton reports on the company governance arrangements (*Review of Governance Arrangements for Bristol City Councils Subsidiaries* and *Report concerning the governance arrangements for Bristol Energy*), and the subsequent independent shareholder advisor's Governance Review which reported in June 2021.

- 1.10. A primary recommendation of that latter report was that, following disposal of Bristol Heat Networks Ltd to the successful City Leap bidder, and without clear intent to bring more companies under the Holding Company in the short to medium term, Bristol Holding should be slimmed down and would comprise a minimum compliment of staff. The Bristol Holding Company business plan, as approved by Cabinet in March 2023 was based on that assumption, and that included an independent review of audit and risk arrangements, which was undertaken by Navigo Consulting Ltd, who had also undertaken a separate independent review of each company board’s effectiveness during the last year.
- 1.11. Navigo concluded that, in the context of two primary operating companies (BWC and Goram Homes), primary accountability for these processes should be at the operating company level and we are now in the process of implementing these arrangements whilst ensuring a seamless transition from the Group ARC to subsidiary ARAC’s. Bristol Waste and Goram Homes have developed an annual Comprehensive Assurance Statement (a detailed statement of material internal controls and governance mechanisms) for the Shareholder and this Committee.
- 1.12. The Shareholder has concluded that a mechanism of further assurance will be retained through its Holding Company, for example to review compliance frameworks, comprehensive assurance statements and financial statement and reporting assumptions.

2. Meetings and Attendance

2.1. The ARC met three times during 2022/23; June 14, October 12th, and February 14th. Attendance at the meetings was as follows:

BH ARC Meeting	Alex Wiseman	Charmion Peters	Mark Hallett
14 June 2022	Yes	Yes	Yes
12 October 2022	Yes	Yes	Yes
14 February 2023	Yes	Yes	No*

Note: * MH resigned before the meeting

3. Risk and Compliance

3.1. A key priority for ARC was to regularly review the adequacy of implementation by each of the companies of the BHL Group Risk Management Strategy and Framework. The strategy and framework form an integral part of the Holdco group’s internal control and corporate governance arrangements. It represents a key line of defence in challenging the adequacy of existing controls and planned mitigations against threats to service delivery in line with agreed business plans and providing assurance to the Shareholder.

- 3.2. Companies have adopted the risk register reporting tool and embedded the identification and reporting of risks (both opportunities and threats) within their regular company board reporting. The risk registers were also presented to each ARC during the year, for independent review and scrutiny on content, adequacy of controls, risk appetite and progress against mitigating actions. Company executives were required to present and respond to reviews and consider recommendations from the ARC to take back to respective boards.
- 3.3. In addition to company entity risk registers, a group risk register was developed, which incorporates all cross-cutting and significant risks that could impact on the wider group, and this is also reviewed by the ARC at each meeting as well as being considered each month by the Holdco Board. This group risk register is still collated by Holdco, and considered by the Shareholder at each shareholder group meeting, and where appropriate, it recommends where risks should be reflected in the Council's risk management arrangements.
- 3.4. Each ARC meeting has also reviewed company compliance matters. These sessions have scrutinised regulatory, health and safety, environmental and information governance requirements and performance, along with reviewing measures to ensure risk of non-compliance is effectively mitigated. These are also reviewed regularly by subsidiary boards.
- 3.5. ARC has also reviewed claims and litigations across the group and an independent review of the adequacy of insurance arrangements across the group. No material gaps or issues were identified in either of the reviews, although it was acknowledged that certain insurance policies were becoming more difficult to procure.

4. Financial Statements

- 4.1 The draft 2021/22 accounts for each company and initial findings from the external auditor (PwC) were reviewed. It was a key role of the ARC to provide assurance that the accounts follow Companies Act requirements, follow proper accounting principles and standards, and provide an accurate reflection of the financial position of each company, both for the respective boards and the Shareholder.
- 4.3 The ARC facilitated the opportunity for, at least annually, candid, private discussion between ARC members and the external auditor, this is now the responsibility of the subsidiary ARAC's. No major concerns were identified as to accounting treatment' reporting of the financial position of each company prior to 21/22 statutory accounts finalisation and filing, or any concerns relating to the executives.

5. Cyber-Security

- 5.1. A key area of review for the ARC during 2021/22 was assurance around the adequacy of cyber-security arrangements, across the companies. For both of these areas internal audit reviews were commissioned (the latter being undertaken by KPMG).
- 5.2 The audit review assessed the effectiveness of the arrangements for information security across the group and to ensure compliance with General Data Protection Regulations. Internal Audit provided a 'reasonable assurance' opinion on the

effectiveness of the Information Security and GDPR Management arrangements across the group of companies. There was clear evidence of good practice policies and procedures being in place, but there were some inconsistencies across the group – and these were addressed as part of the agreed improvement actions.

- 5.3 An annual data protection review was also conducted by the ARC to assure processes are robust and lessons learnt from any breach. This is now the responsibility of the subsidiary ARAC's.
- 5.4 ARC asked internal audit (through its IT audit partner KPMG) to undertake a high-level review of the cyber security controls across the Bristol Group Companies (the Group), focusing on the key technical and non-technical processes operated to mitigate cyber security risks. KPMG provided an overall assessment of 'Limited Assurance.' The audit review noted that the *"Group has established a governance structure whereby information security risk is regularly reported at individual company level and at the group level, to the Audit & Risk Committee. There is a group-wide risk management framework in place that ensures consistency in risk management approach across the Group. However, we noted gaps in documenting information security policies and procedures that can lead to poor awareness and communication of cyber and information security issues."* Several specific company issues were also identified, and all key improvement actions, which fall under the direct responsibility of the companies have been acted upon. Delivery of all improvement actions were reviewed at each meeting of the Group ARC and are now the responsibility of the subsidiary ARAC's.

6. Other Internal Audit Reviews

- 6.1. In the past, Holdco and subsidiaries have worked closely with BCC Internal Audit colleagues to commission a risk-based approach for prioritising for internal audit activity, consistent with organisational goals. Consistent with agreed reporting arrangements, an action tracker was in place to record details of matters arising and agreed management actions in response to all completed audits, including prior year. It is the responsibility of companies to ensure that agreed actions are implemented within agreed timeframes. With the ARC's responsibilities now transferred to the subsidiary ARAC's, the programme of internal audits together with the actions arising now forms part of the ARAC's reports.

7. Board Effectiveness

- 7.1 During the autumn of 2021/22 an independent review of each company's board effectiveness was undertaken. The reviews were undertaken by Navigo consulting, specialists in this type of assessment and other company governance support. The reviews concluded that overall, boards were effective, and that should provide some assurance to the Council as Shareholder, although for BWC there was recognition that this was a board (at the time of the review) in transition, and this was impacting on its effectiveness.
- 7.2 Since conclusion of the review board membership of BWC has changed significantly with a new independent non-executive Chair, a new Chair of ARAC and a new Interim Managing Director and two independent non-executive directors. Considering

these changes, further board effectiveness reviews will be conducted during 2023/24, with consideration given separately in the context of each subsidiary, whether these are independently or internally coordinated.

~ Report End ~

Report Title:		Board/Committee:	
Annual Audit & Risk Committee Assurance Report		Companies Assurance meeting	
Agenda item:	Meeting date: 16/08/23	Non-confidential	For Information
Report author:	Andrew Martyn-Johns ARC Chair	Author contact details:	E: andrewm-j@hotmail.com
Executive Summary			
<p>This is a report of the Goram Homes Audit and Risk Committee (ARC) outlining for GHJ Board the work of the ARC for the financial year 2022/23. This is an annual report with the aim of providing assurance for Board and BCC, as ultimate Shareholder, of overall governance arrangements for the company.</p> <p>The report summarises key areas of review by the ARC, in particular its role in reviewing such matters as risk management and compliance arrangements and review of key systems and processes to ensure effective corporate governance arrangements are in place. The Committee, which comprises two independent members one of which is the Chair, operates in accordance with the provisions of the UK Code of Corporate Governance.</p> <p>As the Goram Homes ARC was only established in November 2022, the report identifies work done, along with plans it has put in train for the next financial year.</p> <p>The report focusses on key areas of independent assurance which the Audit and Risk Committees have reviewed since its formation including;</p> <ul style="list-style-type: none"> • Risk management arrangements • Regulatory and environmental compliance arrangements • Financial statements • Information governance • Fraud and corruption • Internal Audit reviews • Board Effectiveness 			
Recommendations			
Shareholder group is asked to.			
1 – Note the annual assurance report of the Goram Homes Limited Audit and Risk Committee			
Link to Corporate Objectives			
<i>Effective governance, performance and risk management arrangements.</i>			

1. Introduction / Background

- 1.1. The Council determined, following a review of Governance effectiveness that Goram Homes Limited (GHL) should have its own ARC, reporting into GHL's Board.
- 1.2. Goram Homes ARC meets in a cycle aligned to meetings of the Board, to whom the ARC reports, usually 5 times per year. Terms of Reference of the ARC are attached as Appendix A to this report. These were approved by the Goram Homes Board at its meeting on 26 April 2023.
- 1.3. The ARC operates in accordance with the provisions of the UK Corporate Governance Code, acting independently from any company, providing a key assurance role for the Goram Homes Board, and the Shareholder, by reviewing and monitoring,
 - the integrity of the financial information provided to Board,
 - the Company's systems for internal controls and risk management,
 - the internal and external audit process and auditors, and
 - the process for compliance with laws, regulations and ethical codes of practice.
- 1.4. The newly established Goram Homes Audit & Risk Committee comprises an independent non-executive director (The Chair – Andrew Martyn-Johns) an independent committee member (Jasbir Singh) and, in attendance, two Directors of Goram Homes Ltd (Stephen Baker – Managing Director and Chris Arnold - Finance Director), designed to ensure robust review and scrutiny.
- 1.5. The Board looks to ARC to provide a level of assurance that the company is operating in an effective control environment.
- 1.6. In addition to the above, a key role for ARC is ensuring adequacy of arrangements for the management of whistleblowing, anti-fraud measures and compliance - reviewing the companies' procedures for prevention, detecting and countering fraud, corruption, bribery and money-laundering, ensuring in confidence arrangements for reporting any wrong-doing, and ensuring proportionate and independent investigations are undertaken with appropriate follow-up.

2. Meetings and Attendance

Goram Homes Ltd ARC has met on 17 November 2022, 24 January 2023, 21 April 2023 and 13 July 2023. Attendees at each meeting (Members and invited attendees) were as shown below.

Committee Date	17 Nov 2023	24 Jan 2023	21 Apr 2023	13 Jul 2023
Members				
Andrew Marlyn-Johns Audit & Risk Committee Chair	✓	✓	✓	✓
Jasbir Sandhu Committee Member	✓	✓	✓	✓
Attendees				
Stephen Baker Managing Director - GHL	✓	✓	✓	✓
Chris Arnold Chief Financial Officer - GHL	✓	✓	✓	✓
Chris Smith Group Finance Director - BHL		✓	✓	✓
Alison Mullis Deputy Chief Internal Auditor - BCC		✓		✓
Simba Muzarurwi Chief Internal Auditor - BCC			✓	✓

In addition, ARC members have attended an induction course, briefings on health and safety arrangements and responsibilities within Goram Homes, meetings with Internal Audit to discuss the work plan for 2023/24, a meeting to discuss and agree changes to the risk management process and the Bristol Holdings ARC meeting in February 2023.

3. Risk and Compliance

- 3.1. A key priority for ARC is to regularly review the adequacy of implementation of our Risk Management Strategy and Framework. The strategy and framework forms an integral part of our internal control and corporate governance arrangements. It represents a key line of defence in challenging the adequacy of existing controls and planned mitigations against threats to service delivery in line with agreed business plans and providing assurance to the Board & Shareholder.
- 3.2. Goram Homes Ltd developed the risk register reporting tool and embedded the identification and reporting of risks (both opportunities and threats) within regular company board reporting throughout 2022/23. The risk registers were also presented to each Group ARC, for independent review and scrutiny on content, adequacy of controls, risk appetite and progress against mitigating actions. Company executives were required to present and respond to reviews and consider recommendations from the Group ARC to take back to respective boards.
- 3.3. Other matters reviewed by both ARCs have included the Health and Safety arrangements which provided assurance that our partners are managing Health & Safety adequately and they are in compliance with construction, design and management (CDM) regulations.

4. Financial Statements and Performance management

- 4.1 GHL ARC has had an initial review of the programme of work designed to map our company objectives through to outcomes and identify relevant KPIs (Key Performance Indicators) and PIs (Performance Indicators), which in turn refines the risk matrix to ensure all risks align to a KPI (or PI)

- 4.2 This exercise was in train at the end of the reporting period and will be fully operational during the financial year 2023/24.
- 4.3 At its 21 April 2023 meeting the ARC considered the external auditors' plans for the audit of the 2022/23 statutory accounts. It is a key role of the ARC to provide assurance that the accounts follow Companies Act requirements, follow proper accounting principles and standards, and provide an accurate reflection of the financial position of each company, both for the respective boards and Shareholder.
- 4.4 At the meeting of 17 July 2023, ARC reviewed the draft financial statements and discussed the audit with the external auditors. The external auditors confirmed that the majority of their audit was complete. The main outstanding area was that of taxation where they were awaiting the final report of E&Y, the group's tax advisors. There was also a discussion of the main areas where judgement had been necessary. These included the need for provision against work in progress where initial costs had been incurred on projects where an LLP agreement had not yet been reached. Where management could not be confident that a project was going to proceed and the costs recovered, a full provision was made.
- 4.5 Our process facilitates the opportunity for candid discussion between ARC members and the external auditor and provides an opportunity to obtain early warning of potential year end accounting and control issues. No major concerns were identified.

5. Information Governance and Cyber-Security

- 5.2 The company confirmed that it was not aware of any breaches of General Data Protection Regulations during the period covered by this report.
- 5.3 The review was also scoped to include residual information security risk
- 5.4 ARC noted that systems used by Goram are cloud based and that the only recommendation from a prior year internal audit of Bristol Waste's IT services (who provide IT support to GHL) is for service users to undergo Cyber Security training. GHL has this training provision arranged for August 2023.

6. Other Internal Audit Reviews

- 6.1. Up to the point of creating GHL ARC internal audit had not conducted any reviews on GHL within the financial year 2022/23
- 6.2. GHL ARC has worked closely with BCC Internal Audit colleagues to commission a risk-based approach for internal audit activity during the financial year 2023/24, consistent with organisational goals. The agreed areas of work and timing is as follows

Goram Homes - Revised.	Timing Agreed at Audit Committee	Est Days	Senior Lead for Scoping and Reporting. Field work contacts (CH to complete)	Proposed Field Work Dates
Business Plan, Risk Assurance and Performance Management - Phase 1	Jul-23	5	Phase 1 is a review of arrangements currently being developed for measuring delivery of objectives in the business plan and mapping to risks and risk assurances.	17th - 21st July
Business Plan, Risk Assurance and Performance Management - Phase 2	Oct-23	5	Phase 2 is a review of whether the company has achieved good performance management arrangements and risk assurance.	2nd Oct - 13th October
Selection of development partners	Jun-23	5	In Progress.	19th - 30th June 2023
Financial Controls	Jul-23	5		24th - 28th July
Management Action Tracking	N/A	1		Every Quarter

7 Fraud and Corruption

- 7.1 Fraud, theft, bribery and corruptions are recognised as business risks, In accordance with our anti-fraud, bribery and corruption policy we keep abreast of fraud risks, emergence of new risk areas, and ensure a strong culture is embedded across the company where fraud, bribery and corruption will not be tolerated.
- 7.2 ARC confirms that company executives reported that they were not aware of any such risk crystallising.

8. Board Effectiveness

- 8.1 During the autumn of 2021/22 an independent review of each company's board effectiveness was undertaken. The reviews were undertaken by Navigo consulting, specialists in this type of assessment and other company governance support. The reviews made a number of recommendations in relation to GHG all of which have been implemented and Shareholder has been advised accordingly.

Index of Appendices:	
Appendix A:	Audit & Risk Committee Terms of Reference
Appendix B	Assurance Statement 2022/23 – BCC format

~ Report End ~

AUDIT & RISK COMMITTEE (ARC) TERMS OF REFERENCE

1. Outcomes

- 1.1. Goram Homes ('the Company') complies with all its legal and regulatory obligations.
- 1.2. Good internal control processes are maintained.
- 1.3. Arrangements are in place to ensure that the Company acts ethically, responsibly and sustainably in all areas of its work and that value for money is also achieved.
- 1.4. Risks to the organisation are understood, and:
 - 1.4.1. managed and mitigated to not impact on operational efficiency or cause loss or damage to the Company's assets; or
 - 1.4.2. where risks cannot be fully mitigated, the impact, losses and damage are minimised.
- 1.5. A culture is encouraged within the Company whereby each individual feels that he or she has a part to play in guarding the probity of the company and is able to take any concerns or worries to the managing director or, in exceptional circumstances, directly to the Chair of the Board and / or the Chair of the Audit & Risk Committee.

2. Purpose

- 2.1. The primary purpose of the Committee is to aid and support the Board in fulfilling its legal, regulatory and fiduciary obligations in respect of matters involving the auditing, internal controls, and risk management of the Company.
- 2.2. The Committee supports the Board by ensuring there are effective processes for the identification and management of risks; assuring the Board that systems, controls and management within the Company are suitable; and overseeing the appointment and work of the external auditors. Where additional assurance is deemed necessary, the Committee may also appoint internal auditors or other specialists and oversee their work.
- 2.3. The Committee will make recommendations to the Board on its risk strategy and policies, and agree actions, as required, to satisfy good governance principles.

3. Delegated authority

- 3.1. The Committee is authorised by the Board of Goram Homes ('the Board') to investigate any activity within its terms of reference. It is also authorised to seek information it requires from employees and all employees are directed to co-operate with any request made by the Committee.
- 3.2. The Committee has authority to obtain legal or other independent professional advice.

4. Specific Responsibilities

4.1. General

- 4.1.1. Receive reports on, and consider, any matter which, exceptionally, is identified by the Board, Managing Director, Finance Director or other Committee as requiring particular review.
- 4.1.2. Review, at least annually, the effectiveness of the Committee, and the Terms of Reference, ensuring that issues identified are appropriately addressed and recommendations made to the Board regarding any proposed changes.
- 4.1.3. Prepare an annual report summarising the work of the committee and the proposed work programme for the coming year which should be presented to the Board annually.
- 4.1.4. The Committee can recommend to the Board as necessary the appointment of outside legal or independent professional advice as it may deem necessary in accordance with 3.2 above.

4.2. Assurance and Risk Management

- 4.2.1. Consider reports on the Company's internal control systems, financial and otherwise, including controls to prevent and detect fraud, manage risk and provide assurance to the Board as appropriate.
- 4.2.2. Consider proposals on the risk framework including reviewing the Board's risk appetite and ensuring this is reflected appropriately in the risk register.
- 4.2.3. Regularly review those risks judged as having high significance for the Company and give specific assurances to the Board on their management.
- 4.2.4. Review and assess the Company's Emergency Procedures and Business Continuity plans that are in place to manage and recover from significant events that might lead to major disruption to the Company's activities and receive reports on how effectively the plans have worked following any particular incidents.
- 4.2.5. Receive regular reports on the crystallization of key risks, identifying the effectiveness of controls and mitigating actions and considering whether any learning points have been identified and whether additional actions are required. This should cover, in particular, reports on health and safety incidents, including all RIDDOR.
- 4.2.6. Receive regular reports on health and safety including the risk management plan and review of health and safety key metrics.

4.3. Regulatory and Legal Compliance

- 4.3.1. Provide the Board with assurance regarding the Company's compliance with:
 - 4.3.1.1. Health & Safety legislation, regulations and good practice guidance; and
 - 4.3.1.2. Company, and other relevant areas of law, related regulation and any relevant associated good practice guidance
- 4.3.2. Receive reports on any identified cases of fraud; other breaches of the law; regulatory requirements and/or the Company's policies and procedures. Consider such reports to give the Board assurance that the matter is satisfactorily investigated and that remedial actions are implemented effectively.
- 4.3.3. The Committee will receive an annual report on the Company's whistle-blowing policy which will include:
 - 4.3.3.1. Review of the terms, and the effective operation of the policy;
 - 4.3.3.2. The number and nature of issues raised by staff under the policy; and
 - 4.3.3.3. A summary of findings of any investigations.

4.4. Data Quality and Security

- 4.4.1. To assure the Board of the Company's compliance with data protection legislation, regulation and the organisation's cyber-security preparations.
- 4.4.2. To receive assurance, at least annually, regarding the terms, and effective operation, of the Company's policies and procedures for Data Protection, including review of the number and nature of issues raised by staff under the policy.

4.5. Audit

In respect of the internal and external auditors the Committee shall:

- 4.5.1. Consider, and make recommendations regarding the tendering, appointment, or dismissal.
- 4.5.2. Consider and make a recommendation to the Board regarding the period and terms of any contract with appointed auditors.
- 4.5.3. Consider and agree recommendations on the remuneration of auditors in line with the Financial Delegations.
- 4.5.4. External Audit
 - 4.5.4.1. Oversee the annual external audit of the Company's report and accounts.
 - 4.5.4.2. Meet annually with the auditor with only members of the Committee in attendance.

- 4.5.4.3. Consider the plan for the conduct of the annual external audit including a review of their independence and objectivity and matters relating to the provision of non-audit services.
- 4.5.4.4. Review plans for and assure the Board of the organisation's timely preparations for the external audit.
- 4.5.4.5. Undertake reviews and receive reports as required to obtain assurance that proper accounting policies have been used and that appropriate judgements and estimates have been made.
- 4.5.4.6. Receive and review the auditor's report on the annual report and accounts, including receipt and review of the findings of external audit and management response. The annual financial statements and Directors' Report will be reviewed in conjunction with the external auditors before submission to the Board, focusing particularly on: any changes in accounting policies or practices; major judgmental areas; significant adjustments resulting from the audit; material misstatements detected by the auditors that individually or in aggregate have not been corrected, and management's explanations as to why they have not been adjusted; the appropriateness of the going concern assumption; the appropriateness of the statement of internal control and compliance with accounting standards and statutory requirements.
- 4.5.4.7. Make recommendations to the Board regarding, the annual report and accounts, and the terms of the letter of representation to the external auditors.
- 4.5.5. Internal Audit
 - 4.5.5.1. Having due regard for the organisation's strategy, the risks facing the organisation and the existing sources of assurance available, consider the need for the appointment of internal auditors. Where internal auditors are appointed:
 - 4.5.5.1.1. Consider and agree proposals for the programme of internal audit work.
 - 4.5.5.1.2. Receive and consider reports from the internal auditor on issues arising from each review conducted, focusing on high and medium issues incorporating management responses, and consider whether the management responses will satisfactorily address the issues raised in the report.
 - 4.5.6. Receive and review assurance regarding the timely discharge of actions arising from internal audit reports and audit findings identified by the external auditor, including receipt of reports on the position regarding high or critical rated issues highlighted by the auditors.

4.6. Policies, Financial Regulations and Delegated authorities

- 4.6.1. The Committee will review a list of the Company's policies and receive assurances that a timely review of the policies has been undertaken, that they comply with legal requirements and are in active use.
- 4.6.2. Annually review the Financial Regulations, including the Schedule of Delegated authorities and make recommendations for their approval to the Board of Directors.
- 4.6.3. Annually review the Schedule of Matters and Decisions reserved for the Board of Directors and make recommendations for their approval to the Board of Directors.

4.7. Insurance

- 4.7.1.1. Review periodically the insurance cover held by the Company ensuring it is appropriate for the Company's needs.
- 4.7.1.2. Approve the purchase of any Directors' and officers' indemnity insurance.
- 4.7.1.3. Review the security of assets including ensuring that an asset register, sufficient for insurance purposes, is in place and regularly reviewed.

4.8. Membership and Attendance

- 4.8.1. The ordinary membership of the Committee comprises not less than two members, including the Committee Chair and any number of independent (co-opted) members as agreed with the Board of Directors.
- 4.8.2. All members appointed to the Committee shall serve for an initial period as specified in their contract (or until they cease to be a Director).
- 4.8.3. Members of the Audit and Risk Committee should, amongst them, have relevant experience of financial audit, risk management and internal control, governance and insurance.
- 4.8.4. The Board appoints the Committee Chair and all members of the Committee. In the absence of the Committee Chair the Board shall elect one of themselves to chair the meeting.
- 4.8.5. The Chair of the Board shall not be a member of the Audit & Risk Committee.
- 4.8.6. Quorum shall be a minimum of two members of the committee. In the event of difficulty in achieving a quorum, Board members who are not members of the Committee may be co-opted as members for individual meetings. Where a meeting of the Committee starts or becomes inquorate, then decisions requiring a quorum will be adjourned to such a time as may be determined by the members present or the Committee.
- 4.8.7. A decision taken outside a Committee meeting is only valid if reasonable notice of the matter to be decided has been given to all members; it is subject to normal quorum rules; the decision is recorded in a single written document signed by two committee members (an email will be treated as a signed written document); and the decision is formally ratified at the next meeting so it appears in the minutes.
- 4.8.8. Attendance of non-members at meetings
 - 4.8.8.1. Standing attendees shall be the Managing Director and the Finance Director or their delegates.
 - 4.8.8.2. The Committee or its Chair may invite to attend the Committee, either generally or in relation to a matter or topic before the Committee, other Directors, other staff members, representatives of the external auditors, or any other external advisers as they deem necessary.
- 4.8.9. Internal and external auditors have a right of direct access to the Chair of the Committee.

4.9. Frequency of meetings

- 4.9.1. The Chair of the Committee determines a rolling programme of ordinary meetings of the Committee which must provide for at least four ordinary meetings in each calendar year.
- 4.9.2. Additional meetings can be called at the request of the Chair of the Committee, or the External Auditors (or internal auditors where appointed).

4.10. Reporting Arrangements

- 4.10.1. Minutes of the Committee to be produced and sent to the Committee Chair within ten working days of a meeting.
- 4.10.2. Minutes will be available to all Board members.
- 4.10.3. The committee Chair will present a report on the key issues they have considered, their implications and any actions or recommendations, to the next ordinary Board meeting.

Revised April 2023 by ARC
Revised and approved by Board.....

Goram Homes Assurance Statement 2022/23

Completed by:				
Ref	Governance/Control Requirement	Level of Assurance	Briefly provide details of what arrangements are in place that give you this assurance (See Guidance Note 2.4)	Actions Planned/Required Include Responsible Officer and Timescale (See Guidance not 2.5)
1. Integrity, Values and Compliance				
1	<p>Expectations and behaviour standards are set out in a Company Code of Conduct. All staff (F/T, P/T, temporary, agency staff and consultants) employed by the Companies have received a copy.</p> <p>Staff are required to make and have completed a declaration of interest form to identify potential conflicts of interest. Declarations made are passed to management for them to assess the impact and agree action as necessary.</p> <p>Staff are reminded regularly of the requirement to make declarations of interest where circumstances change.</p>	Good	<p>The code of conduct for the non executive directors was adopted at the February board meeting. This code of conduct covers conflicts of interest, declarations of interests so we can ensure they are appropriately managed.</p> <p>This has been used recently when a board member had a conflict. This involved them not receiving board papers and not being present for that agenda item of the board meeting.</p> <p>Staff conduct is managed via the current Employment contract and appended appendices. Procurement and recruitment which would be the principle area where conflicts could occur are covered by established policy.</p>	Staff handbook and staff contracts to be reviewed in the year 2023/24 to ensure they are aligned with current best practice - Lead Managing Director
2	<p>A clear policy is in place regarding acceptance and receipt of Gifts and Hospitality by management and employees of the company. If permitted, this is recorded in a register which is reviewed by management to ensure all received is appropriate.</p> <p>How many declarations are recorded for 2022/23</p>	Good	<p>Gifts & Hospitality policy and Register in operation.</p> <p>8 Entries on the register.</p>	
3	<p>A whistleblowing policy is in place to encourage reporting and processes are established to respond to issues raised effectively.</p> <p>State how many reports have been received clearly indicating number closed.</p>	Good	<p>Whistle blowing policy adopted .</p> <p>No recorded reports.</p>	
4	<p>Arrangements are in place to promote and ensure equality, diversity and inclusion across all aspect of delivering the Company's business.</p>	Good	<p>Clear statements in the business plan 2023.</p> <p>E&D statement adopted.</p>	
5	<p>A Fraud, Bribery and Corruption policy is in place and provides for reporting of fraud and irregularity.</p> <p>All frauds and suspected financial irregularities have been referred for independent investigation and reported to the Audit and Risk Committee.</p>	Good	<p>Fraud & Corruption policy adopted.</p> <p>No instances have been reported or are know of.</p>	
6	<p>Training needs are identified and appropriate training delivered to all staff to ensure they are able to work within company policies, procedures and values and to meet company objectives.</p>	Good	<p>Learning & Development policy adopted.</p> <p>1-2-1 raise training and record gaps as required</p>	
7	<p>Relevant legislation is complied with and mechanisms are in place to review procedures in light of legislative change. Detail any instances of significant legal non compliance.</p>	Good	<p>Limited to H&S law following a review by lawyers.</p> <p>Training given to board during 2022/23</p>	
8	<p>Data protection 2018 and UK GDPR requirements are routinely complied with by the Company</p>	Working Toward	<p>1) Data protection and GDPR policy adopted</p> <p>2) Very low levels of personal data handled, but a review to take place in 2023 of current policies and procedures.</p>	CFO to Review process and procedure during 2023/24.
Defining and Delivering Outcomes				
9	<p>Fully costed business plans are in place that cover all relevant services and which clearly reflect Company objectives. The plans balance commercial, social and environmental aspects of business delivery. Options appraisal is completed. Objectives are clearly communicated to staff and stakeholders are consulted.</p>	Good	<p>Approved by cabinet March 2023</p>	
10	<p>The organisational structure is fully resourced to effectively deliver key priorities of the company.</p>	Working Toward	<p>Organisational structure approved by board and is reviewed regularly with staff updates included in the MD's board reports.</p>	The 2023 staffing structure will be staffed during the year, there are currently posts vacant. These vacant posts are to allow company growth and no current vacancies limit the company in being able to meet the objectives of the business plan.
11	<p>Key Performance Indicators have been established with robust mechanisms and clear responsibility for monitoring each performance indicator. Progress is regularly monitored and reported to senior management, Board and the shareholder as appropriate.</p>	Working Toward	<p>KPI's were drafted within the business plan. These KPIs are reported to both the board and the shareholder. Where there is variation from the target this is reported along with narrative setting out actions being taken to achieve the KPI target.</p> <p>These KPI's are currently under review with the Board and the Shareholder and will not be issued to the April board meeting. The Review of the KPI's will establish an integrated performance management system linking the objects, KPI's and Risks of the company.</p>	MD to complete Performance Management reporting review by end September 2023
12	<p>A complaints procedure is in place and complaints received are monitored and regularly reviewed by Management. Changes necessary are made as a result of complaints received.</p>	Good	<p>Complaints and Compliments policy adopted</p>	

13	Partnership agreements are in place that clearly define the benefits and terms of the partnership, specifying who's rules and procedures are to be followed and regularly reviewed. Provide brief details of partnership arrangements in place.	Good	The Joint ventures are set out in a number of legal documents which are reviewed by both the companies and the Council's advisors. The Council approves these structures under the reserved matters process.	
14	All key projects are managed following options appraisal and commercial considerations. Progress exceptions are escalated.	Good	All key projects are reported to board each meeting. The Council approve all joint venture projects.	
Determining Effective Interventions and Decision Making				
15	A scheme of delegation is in place covering both financial and Human Resource responsibilities. Decisions and approvals are documented.	Good	Delegation of Authority and Matrix adopted	
Managing Risk				
16	Risk Registers are maintained which identify key risks to delivery of objectives and identify actions being taken to manage them. Risk and action owners have been allocated to all key risks to ensure appropriate actions are taken to manage and monitor risks.	Working Toward	The Risk register is currently being fully reviewed by the team, lead by the Finance Director. This will integrate the risks to the KPI's and Objectives. This process will be shared with the Shareholder and reviewed by the Audit and Risk committee	CFO - complete review of risk register and integration with objectives and KPIs by end September 2023
17	Significant risks and issues are escalated to the Board. List any risks that have crystallised during the year.	Good	None	
18	A Health and Safety plan is in place for the company.	Good	Health and Safety Policy statement adopted H&S management system adopted at the April board meeting to compliment the new H&S policy statement.	
19	Business continuity plans are in place covering all critical services and systems. Plans are regularly tested and reviewed as necessary.	Good	Business Continuity plan adopted	Review to be conducted in 2023/24, low priority as very low risk to the business. MD
Financial Management				
20	Company financial and procurement regulations are in place, staff are aware of them and they are being complied with. Provide details of any known breaches during the year and actions taken.	Good	Standing Orders and Procurement policy adopted No breaches in the year	Staff handbook to be updated to ensure new starters are advised of all relevant policies .
21	Quarterly budget forecasts are completed accurately by trained budget managers who are responsible for delivery within their own budget. Monitoring demonstrates good financial performance of the company.	Good	The board review the management accounts at each meeting . Which are prepared and presented by the Finance Director.	
22	A policy is in place to manage the use of Purchase/Credit Cards. Card holders are aware of and are complying with the policy. Provide details of any known breaches during the year and action taken.	Working Toward	Two credit cards in issue. Total credit limit of £10k. Not a material risk. Use of credit cards 2x is monitored as part of the Accounting processes.	
23	Arrangements are in place to ensure the company's financial resilience and delivery of value for money.	Good	The board review the management accounts at each meeting. The board have received no notification that there are any issues relating to financial performance at this time.	
Governance Successes, Assurance and Effective Accountability				
24	Effective Audit Committees are in place to oversee governance, risk and control arrangements. Committee members are independent of Company operations and meet regularly to receive assurances in relation to governance, risk management and internal control arrangements.	Good	Audit & Risk committee formed in 2022/23. The Council and Company recruited the two independent members of the committee	
25	Sufficient independent assurance (Internal Audit/External Audit/Inspectorate Reports) on risk and controls have been received and agreed actions are implemented in timely manner. Provide details of independent assurance reports received during the year . Where there are gaps in assurance please provide details.	Working Toward	External Auditor has been appointed and is leading on matters relating to their appointment. Internal Audit work plan for the year has been agreed now the Audit and Risk committee has been established.	
26	Detail any significant changes in governance that have occurred during the year 2022/23.	Good	none other than above.	
27	Detail significant failures in risk management, governance and internal control within the company that may require reflection the Council's Annual Governance Statement. These might include issues which have: <ul style="list-style-type: none"> • Seriously prejudiced or prevented achievement of a principle objective; • Required a significant diversion of resources; • Had a material impact on the accounts; • Resulted in significant public interest or has seriously damaged reputation; • Resulted in formal actions being taken by the Chief Financial Officer or Monitoring Officer; • Received significant adverse commentary in external inspection reports that has not been able to be addressed in a timely manner; - has demonstrated significant poor value for money (The above is for guidance and not an exhaustive list.)	Good	none	
Sign Off	Completed by: Stephen Baker Designation: Managing Director Date: 21/03/2023 Updated by: Chris Arnold Designation: CFO Date: 08/08/2023			

Report Title:		Board/Committee:	
Comprehensive Assurance Statement		Companies Assurance Group	
Agenda item:	Meeting date: 16/08/2023	Confidential	For information
Report author:	Chris Holme Director of Finance and Strategy	Author contact details:	T: 07961 885170 E: chris.holme@bristol.gov.uk

Executive Summary

Following an independent review of BCC wholly owned companies' audit and risk arrangements, which has led to the inception of BWC Audit and Risk Assurance Committee, a key function of it will be to provide an annual Comprehensive Assurance Statement (CAS), for presentation to the BCC Audit Committee (September 2023).

The CAS is intended to be a detailed statement of material internal controls and governance mechanisms, to provide assurance to the Council, as ultimate shareholder, as to effective governance and regulatory compliance.

The report should focus on key areas of independent assurance, including key areas that the committee will have reviewed over the financial year in question including;

- Risk management arrangements
- Regulatory and environmental compliance arrangements (including outcome of any external assessments)
- Integrity of financial statements (as assessed by external auditors)
- Key financial system controls
- Robustness of budgets and business propositions
- Information governance and data security arrangements
- Fraud and corruption arrangements, including adequacy of whistleblowing procedure
- Outcome of Internal Audit reviews and key improvement actions required
- Board Effectiveness arrangements, and compliance with UK Code of Corporate Governance

It is intended that the report will complement work required for completion of the Council's Annual Governance Statement, which will be appended to the report. It should be noted that everything in the submitted document will go into the public domain, so it is important that the document is truly representative and proportionate.

Please note, this is an initial draft, and following resignation of the former ARAC Chair at the end of July, remaining ARAC members have been asked to review the approach and draft content of the CAS, prior to submission to the Shareholder (Audit Committee). Some further work is required across the report, but particularly in areas such as robustness of budgets and business propositions. Furthermore, as no formal board effectiveness review has been undertaken since 2021 (and hence before significant changes were made to its composition), this is a matter which will require further consideration with the Shareholder.

Recommendations
<i>Companies Assurance Group is asked to 1 – Note the draft content of the Comprehensive Assurance Statement and that it will be finalised after the BWC Board meeting of the 24th August.</i>
Link to Corporate Objectives
<i>Effective governance, performance and risk management arrangements.</i>

1. Report

1.1 As per Exec Summary and Attachments

Index of Appendices:	
Appendix A:	Bristol Waste Company Assurance Report (with Appendices 1 to 4 to Appendix A)

~ Report End ~

ANNUAL REPORT OF THE BWC AUDIT, RISK AND ASSURANCE COMMITTEE (COMPREHENSIVE ASSURANCE STATEMENT)

For the period September 2022 to April 2023

Audit Committee Meeting Date 25th Sept 2023

Background

In line with principles of good governance, the Bristol Waste Company Audit, Risk and Assurance Committee (ARAC) has produced its Annual Report and Comprehensive Assurance Statement for the Council as the ultimate Shareholder of the company. The aim of the report is to:

- Summarise the activities of ARAC for the period under review.
- Highlight any areas of significant risk exposure requiring improvement to enhance the internal control framework.
- Provide ARAC's opinion, based on an honest and objective assessment of the framework of the company's governance, risk management and systems of internal control. This opinion is an integral part of the Bristol Waste Company's (BWC) governance framework, providing assurance to inform the Board, and identifying improvement opportunities.

This report records ARAC's work and identifies key issues arising from its activity from the period September 2022 to April 2023.

Attached as Appendix 1 to this report is BWC's Annual Governance Statement (AGS) self-assessment return, submitted earlier this year as part of the wider Council AGS statement. This self-assessment statement has been formally approved by the ARAC members.

A new Chair of ARAC (and Non-Executive Director) is anticipated to have been appointed by the Shareholder by the time this CAS is presented to Audit Committee.

Formulation, Membership and Terms of Reference

The BWC ARAC had its inaugural meeting on 20 September 2022. Committee members reviewed the proposed Terms of Reference at this meeting and concluded that it was fit for purpose, with no required revisions. Those Terms of Reference are attached as Appendix 2 to this statement.

The membership of the BWC ARAC during the period comprised:

- Charmion Pears (Chair – since inception)
- Andy Jefford (Independent Member – appointed November, first meeting 31 Jan 2023)
- Phil Mawston (Independent Member – since inception)

The Committee met four times during the period Sept 22 – April 23, with meetings scheduled outside what would be a regular cycle. This was driven by timing of 2022/23 report and accounts, management capacity (where meetings were 'split' across two dates) and significant volume of items for consideration. Closed sessions of members were held, as required, to update on matters such as whistleblowing.

In 2023/24 it is expected that the Committee will work to a cycle of four regular meetings – July, September, December, March – with an additional session, if required, for detailed review of Report and Accounts prior to their approval by the Board.

All meetings during 2022/23 were quorate, with at least two members in attendance (three once all appointed). Regular attendees included the Interim Managing Director(s), the Finance and Strategy Director, the SHEQ Director, the Head of ICT and the Bristol Holding Group Finance Director. All meetings also had representation from the Bristol City Council (BCC) Internal Audit Team. In accordance with good practice, ARAC members also met with the company's external auditor without presence of executive officers. The Chair of ARAC also met independently with the Council's Chief Internal Auditor.

It should be noted that during the year the Chair and one Independent Member (Phil Mawston) undertook substantial pieces of work on behalf of the board that would not ordinarily sit in the remit of ARAC members. The Chair took responsibility for oversight and co-ordination of whistleblowing investigations (see below). Phil Mawston was separately commissioned outside of his role as an independent member to undertake specific management reviews of Bristol Workplace Services (FM services of cleaning, security and cash-in-transit services transferred to BWC in June 2021) and Commercial Waste functions.

Potential issues of independence/conflicts were considered and managed. In the case of the Independent Member, by way of clear declaration of interests (and abstaining from comment) in relation to agenda items where conflicts may have arisen. In relation to whistleblowing, it was previously assumed that assurance in relation to the process undertaken would go directly to the board. This approach is no longer needed following subsequent resignation of the ARAC Chair, and appointment of a Freedom to Speak Up Guardian at executive level.

During the last financial year there were a number of Bristol Holding Audit and Risk Committee meetings, as prior to September audit, risk and assurance arrangements were managed at group-wide level, and they should be reported on by the Chair of that Committee.

Policies and procedures

Considerable focus was placed on improving the governance arrangements for the company during the period. As part of this the ARAC reviewed, and recommended for board approval, the following policies:

- Freedom to Speak Up (Whistleblowing) Policy and Protocol (substantial revision)
- Expenses Policy (substantial revision)
- Anti-Fraud Policy (introduction)
- Anti-Bribery and Corruption Policy (substantial revision)
- Depreciation Policy (revision)
- Financial Regulations and Controls and revised Scheme of Delegations

Where relevant, these were shared with the Trade Unions, with positive feedback received.

In conjunction with the above a revised Code of Conduct, as recommended to the board by the Company's Remuneration, Equalities and People Committee (REPCO), was approved and the new policies launched for communication and training. Effective communication and training of new policies and procedures is an area where the ARAC should consider seeking future assurance. Past approaches have been identified as inadequate given the need to communicate and embed complex

issues in a way that is fully understood and acted on across the business. Challenges that are exacerbated given high levels of agency-staff used on a regular basis.

During the period draft a Business Continuity Plan and draft Cyber Incident Response Plan were also presented to the Committee for input and feedback. These will return to the ARAC as final drafts in July. A Draft Driving at Work Policy and Handbook were also reviewed, and ARAC proposed further improvements prior to being recommended to the board for approval.

Risk Management

There was significant focus throughout the period to improve the company's risk management arrangements. To enhance its risk maturity and more fully embed risk management it is important there is greater engagement across the business. Particular focus is required, in the year ahead, with regard to adequacy of mitigating controls.

Positives in the period:

- The board undertook its risk-appetite assessment/review. This was done using a new framework designed to improve the ability to communicate and ensure it is embedded to a greater extent in planning and decision making.
- A clear set of Principal Risks have been defined (in consideration of balanced objectives) and these are the focus for the ARAC and Board.
- Improvements have been made to both the format and detail of the Principal Risk Register (agreed in Q2, 2022), and this facilitates a more informed level of discussion.
- The executive meets on a periodic basis to discuss and consider risk and its impact on the business.

Areas for focus going forward:

- There are varying levels of understanding and/or focus in relation to risk management across the executive/management. Further work is required to build levels of competence across the team.
- In general, identification of risk is done well, but work is required in terms of adequacy of mitigating controls, actions being robustly followed through to ensure those are in place, and that gaps between residual risk and risk appetite are considered. Scoring of risk (current, target - relative to controls in place) was not always reflective of the prevailing state.
- With the broad range of issues that have arisen in relation to governance and internal control, the depth of discussion in relation to risk at ARAC has not been where it should be. A new approach has been agreed where in addition to a review of the register, there will be a more significant dive into two risks at each ARAC.
- The plan is for the Board get the risk summary each month, an ARAC Chair update each quarter and have a six-monthly deep dive into risks, including the full risk register. Further work is required to improve some areas of risk reporting, and this will be a focus for the current financial year.
- An Emerging Risk Review has been on the Forward Plan but rescheduled given other pressing priorities. It is currently on the plan for December 2023.

Compliance

A Compliance Report is tabled at each meeting and covers company adherence with various legal and regulatory requirements. In most areas assurance was gained in relation to compliance, or swift action to appropriately rectify instances of non-compliance.

Areas requiring focus going forward (due to recurrence or lack of positive resolution in the period) are:

Area	Issue
Overweight Vehicles	While no specific enforcement/infringements recorded in the period, there has been ongoing issues with overweight loads. This has been an area of particular focus, particularly at the board. A variety of causes have been highlighted e.g. equipment issues (understanding weight whilst on the round), wet green waste in winter, Christmas recycling (glass particularly). With concerted effort the levels of overweight vehicles have come down significantly from those reported 8-12 months ago but compliance remains a challenge.
Environmental discharge breaches	Incidences recorded have been largely identified/managed by the second line (SHEQ) but with some frequency across the various sites. An Asset Compliance audit is scheduled into the Audit Plan imminently and the proposed focus is environmental compliance. We are currently seeking an appropriate provider as the requirement is for a physical/site-based audit rather than the desktop assessment undertaken by BCC Internal Audit last year.
Persistent Organic Pollutants (POPs)	This is a new area for the company and covered by Regulatory Positioning Statement 266 at this point. segregation and storage of POPS (out of adverse weather) and the disposal of these are required areas of focus going forward. Whilst not a matter of compliance, the economics of POPs for BWC also requires consideration by BCC and the new Commercial Manager.
Redacted - see exempt appendix	[Redacted]
Employee Tribunals	The company has a number of live cases which are being managed by our Director of People (with tribunal experience) and Counsel (MDJ law). It is suggested that, as part of the review of controls in relation to the legal-compliance risk, the ARAC conducts either a deep-dive, or schedules an additional audit, in relation to management of ER cases. BWC are in the process of appointing independent investigators where appropriate, to provide robust assurance.

In September the ARAC agreed that BWC needed a strengthened Compliance Framework. The Register developed to support this will expand the company's existing Legal Register (which covers certain of the SHEQ-related areas) to include all legislation and regulation impacting on the company. Owners will be assigned to ensure that when changes occur, policy/procedural updates and communication are well managed. This remains outstanding because of a necessary reprioritisation of activity. A first draft is on the forward plan for December 2023.

[Redacted]

Assurance arrangements

With the identification of a number of gaps in governance and some weaknesses in internal control made evident to the Board, it was clear that the previous approach in relation to assurance (which produced a largely positive result) needed some change. Assurance arrangements needed to be put in place that could provide a more robust view of the company's governance, risk management and internal controls.

Progress has been made in this area:

- the move from a group-wide BHL ARC to a single-company ARAC as required by the new board (depth vs. breadth of findings).
- a new Integrated Assurance Planning and Reporting approach was introduced which takes a more holistic view of activity across the 2nd and 3rd lines. This is now providing much greater visibility of 2nd line and non-BCC Internal Audit 3rd line activity and ensures assurance resources available are used more effectively. The integrated assurance summary for the period April 2022 to March 2023 is set out as Appendix 3 to this statement.
- assurance planning is being driven by the business rather than the audit team with business input. For the 2023/24-year planning was based on a detailed assurance mapping exercise. Strategic objectives, risks, mitigating controls are outlined with proposed assurances mapped against those. Once a view of 2nd and 3rd line was formed by BWC, this was subject to input from, and review by, BCC IA. In addition to the 2023/24 year a working draft was tabled for the 2024/25 year.

The ARAC and Board have approved the plan for 2023/24 which has a significant increase in 3rd line assurance testing – both from BCC Internal Audit and other specialist audit firms where required.

As outlined above, a meeting was held between the ARAC Chair and BCC Chief Internal Auditor. A new Service Level Agreement has been finalised that will incorporate KPIs for performance of both teams going forward. In addition to timeliness (in relation to both teams), BWC are requiring a focus on quality of audits and greater visibility at the outset in relation to the composition of the team working on each audit (i.e. the related experience/qualifications of each audit team member and the mix allocated to each audit to ensure quality outputs).

Audit outcomes:

A summary of 2nd and 3rd line activity undertaken in the period and the level of assurance provided is attached as Appendix One.

In relation to 3rd line assurances, positive assurances were gained in the following areas

Area	Findings
ISO Audits	All ISO audits had positive outcomes with re-certifications gained across H&S, Quality, Security, IT secure destruction. A number were completed with no corrective actions required.
EA site visits and HSE spot checks	All resulted in positive feedback, with no significant issues identified.

BCC Waste Client Audits	Undertaken quarterly on a rotation across all areas. In the period included the Hartcliffe site and Villages (ex. toilets).
NSI Security Audits	National Security Inspectorate audit of Security - Silver Award granted. No issues arose.
Near Miss Process	Undertaken by BCC IA. Resulted in a finding of Reasonable Assurance in relation to adherence with policy and process. Cultural Issues were highlighted with low engagement from operatives.
Logistics UK Operators licence	Positive finding (equivalent to reasonable) findings related to oversight of working time, oversight of speeding offences (actions to prevent recurrence), declarations and awareness training.

Areas where audits provided limited assurance and work is underway to rectify control weaknesses:

Area	Findings
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Redacted – see exempt appendix

Close out of Management Actions

During the period there was a focus on closing out not only those actions which came due in the period, but management actions that were overdue. As at the end of the period there were 21 outstanding actions. 4 related to audits that were conducted prior to the end of 2022. Delays to the actions in relation to one audit (the Recruitment, Onboarding and Exit audit) were approved due to the significant restructure of the HR team that happened shortly after the audit. These actions are now nearing completion.

2021/22 Statutory Accounts - External Audit

PWC were the appointed firm to undertake the external audit of the 2021/22 Report and Accounts.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Redacted – see exempt appendix

The audit opinion was qualified in relation to limitation in access to information to verify the completeness, existence and scheme assets from Avon Pension Fund (Local Government Pension Scheme) for which Bristol Waste is an admitted body. This has been an issue for several organisations and not distinct to BWC. It arose as BWC is a participating employer, for those former local government employees with ongoing entitlement for membership, in the Avon Pension Fund, a multi-employer scheme for which assets held are not segregated or separately allocated to the participating employers. The auditors therefore have no access to audit the assets, their specific valuation, or the allocation methodology used by the actuary and therefore cannot obtain sufficient

reliable evidence in support of the BWC pension balance. While in the past PWC would have relied on confirmation notified by the actuary and some basic validation procedures around annual movement, they no longer believe this approach is appropriate.

Other than the possible effects of the specific pensions matter described above, the auditors opinion was that the financial statements:

- Gave a true and fair view of the state of the company’s affairs as at 31st March 2022 and its profits for the year then ended
- Were properly prepared in accordance with UKGAAP standards, and the requirements of the Companies Act 2006

[Redacted text block containing multiple paragraphs of blacked-out content]

Redacted – see exempt appendix

Whistleblowing

During the period there were five instances of whistleblowing with multiple complaints made by each of the whistle-blowers. The allegations were determined to be of potential high-risk and therefore the Board-agreed approach was to use specialist external investigators with oversight and co-ordination by the ARAC Chair. Three investigations were closed and are summarised in Appendix 4.

Allegations were found to be materially correct in a number of instances, with investigations highlighting some weaknesses in internal control, breaches in policy and instances of malpractice.

Full findings were shared with ARAC members, Board members and senior officials at BCC. Outcomes were shared in appropriate detail with whistle-blowers.

An Action Tracker has been put in place to capture corrective actions and resource assigned to track and report on progress monthly to the Board. Where required regulators have been informed.

All instances (during and post period) and relevant findings were shared with the external audit partner at PWC.

Fraud, Breaches and Irregularities

Fraud, theft, bribery and corruption are recognised as significant risks, and need to be reviewed regularly as the company has developed, grown and become more complex in structure. A group-wide anti-fraud, bribery and corruption policy was approved by the Holding Company in 2020, but it was recognised a specific BWC Anti-Fraud Policy was required and this was rectified in March 2023, when a new policy was reviewed by ARAC and approved by the Board. This provides greater clarity on types of potential fraud, how to recognise and report fraud and the responsibilities of colleagues in relation to fraud. It requires annual certification by managers that they have reported all known or suspected instances of fraud in their area.

During the period the Fraud Risk Assessments (FRA) were tabled with the ARAC for review. While fraud risks had been reasonably identified in most areas, the adequacy of mitigating controls in some areas was of concern to the ARAC. External expertise to support further development of the FRAs across the business was identified and it was agreed that a series of workshops would be undertaken during the current year to provide robust challenge to existing controls and where appropriate work with management to deliver improvements.

Allegations of fraudulent practice and corrupt behaviour were a consistent theme within whistleblowing. Audits were subsequently undertaken by BCC IA and external parties (including forensic auditors). These found no specific evidence of fraud, but notably an environment where fraud could exist and/or where managers could open themselves up to allegations of fraud due to adequacy of the control environment.

A new Fraud, Breaches and Irregularities Report has been developed and is being tabled quarterly at the ARAC. Each executive member takes responsibility for providing the content as pertains to their area.

Board Effectiveness

The last independent Board Effectiveness review was undertaken in 2021, and there have been significant changes since then, at both non-executive and executive level. Following the resignation of both the Chair and ARAC Chair from the Board at the end of July, there will be further changes to Board membership from September. A further review will be undertaken during 2024.

ARAC Opinion

Based on the information provided, the outcome of the investigations and audits undertaken the ARAC are unable to provide assurance that the most effective systems of governance, risk management and internal control are currently in place across the organisation.

However, significant work has been undertaken and are ongoing, to significantly improve the control environment within which BWC operates. These have been covered in detail above but include:

- Timely communication and effective training of key policies (Whistleblowing, Expenses, Anti-Fraud, Anti-Corruption and Bribery, Code of Conduct). Appropriate management of breaches in relation to these policies.
- Communication and systems to ensure adherence with a new scheme of Financial Delegations and Controls;
- Development of Fraud Risk Assessments with adequate preventative, detective and reactive controls in place or identified with time-bound and monitored plans;
- Segregation of duties in relation to management where there is perceived to be an identified fraud risk;
- Mitigating controls in place, or identified with time-bound plans, in relation to Principal Risks; and
- Closing out of management actions in relation to key audits and delivering the corrective actions as outlined following the various whistleblowing investigations.

It should be noted that BWC operates within an industry sector with an historically poor reputation in the management of fraud and Health and Safety risks. In this context the business has, and continues to, make material improvements in the control environment relating to these areas.

Bristol Waste Company Assurance Statement 2022/23				
Completed by:				
Ref	Governance/Control Requirement	Level of Assurance Good/ Working Towards/ Gaps Identified (See Guidance 2.3)	Briefly provide details of what arrangements are in place that give you this assurance (See Guidance Note 2.4)	Actions Planned/Required Include Responsible Officer and Timescale (See Guidance not 2.5)
1. Integrity, Values and Compliance				
1	Expectations and behaviour standards are set out in a Company Code of Conduct. All staff (F/T, P/T, temporary, agency staff and consultants) employed by the Companies have received a copy. Staff are required to make and have completed a declaration of interest form to identify potential conflicts of interest. Declarations made are passed to management for them to assess the impact and agree action as necessary. Staff are reminded regularly of the requirement to make declarations of interest where circumstances change.	Working Toward	All colleagues are issued with the Code of Conduct and declaration of interest form upon joining the company and most staff are now on iTrent Employee Self Serve (ESS) which contains a direct link to our Employee Handbook. BWC has updated its Code of Conduct for all employees and the new code takes effect from the 1st May. A gap has been identified during the year with regard to scope and regularity of requirement to complete declarations of interest. All supervisory staff and above have now been sent forms for completion by May. This will now be an annual process. BWC has updated its Anti-Corruption and Bribery policy and this makes specific the need to declare any potential conflicts of interest. All senior managers have received training and this will now be cascaded throughout the organisation. During the year a whistleblow highlighted a previous member of the executive and board had an undeclared conflict-of-interest with a supplier. This is currently being audited by KPMG and their forensic auditing team.	New Code of Conduct will be implemented from 1st May. The executive are currently working on a new-style training and communications plan to ensure this is rolled out effectively throughout the organisation. Declarations of Interest for all staff (supervisory and above) required to be returned May 2023 and thenceforth will be an annual update process coordinated by the Director of Finance and Strategy. All new starters are required to complete and sign a DoI. The executive are currently working on a new-style training and communications plan to rollout out the new Anti-Corruption and Bribery policy to all colleagues. We will also communicate through normal management cascade arrangements. Results from KPMG audit will be incorporated into the broader Whistleblowing Action Plan for the company. This will be tracked by a project team and reported to the ARAC. A Code of Conduct Audit has been agreed in the 2-Year Assurance Plan for 2024/25 and undertaken by BCC IA.
2	A clear policy is in place regarding acceptance and receipt of Gifts and Hospitality by management and employees of the company. If permitted, this is recorded in a register which is reviewed by management to ensure all received is appropriate. How many declarations are recorded for 2022/23	Working Toward	Last year we reported that there were no recorded declarations of hospitality, but the clear expectation was that any gifts received were raffled off with all proceeds going towards to our designated charity. The lack of policy alignment and effective recording is a gap that we have identified. Our updated Anti-Corruption and Bribery policy makes clear what should and should not be accepted and that all gifts or hospitality must be declared. This requirement has been implemented with immediate effect and the training for the Anti-Bribery and Corruption policy is outlined above. No declarations have been recorded for 2022/23, however, an instance was raised as part of a whistleblow, but this is not been substantiated by the 3rd party in question.	We have forms and process for recording gifts and hospitality, but are planning to introduce online recording and reporting. Identified breaches of the gifts and hospitality recording requirement will be reported quarterly to Audit and Risk Assurance Committee as part of a wider Fraud, Breaches and Irregularities (FBI) reporting which has now been introduced.
3	A whistleblowing policy is in place to encourage reporting and processes are established to respond to issues raised effectively. State how many reports have been received clearly indicating number closed.	Working Toward	The new board and executive are committed to creating a culture of transparency, honesty and integrity. We have outlined our Ethical Operating Principles and these are now being communicated to colleagues with every policy revision. A Whistleblowing that occurred during the year highlighted shortcomings in the existing policy and as a result, we have drafted a new Freedom to Speak Up (Whistleblowing) Policy which takes effect from May 2023. This aims to promote a culture of openness and freedom to report concerns without fear or favour. We have also introduced a formal role of Freedom to Speak Up Guardian at Executive Management level - with the Exec Team member deemed to have the highest level of independence from areas we think are at potential risk from any health and safety, environmental and financial wrong-doing. Whistleblowers can also escalate to the board or to BCC IA if they feel necessary. We have also finalised a new Investigation Protocol to ensure that investigations are handled in a proportionate and equitable way. All key senior managers have been both internally and externally trained, including a two hour session with Protect, the Whistleblowing Charity. Training on the new policy will now be rolled out to all colleagues. We had 3 serious whistleblows between November and March and each of these have been independently investigated (overseen by the Chair of our Audit and Risk Assurance Committee, using a range of external auditors or specialists). One has been concluded and the other two in their final stages. Lessons learnt from those investigations are being incorporated into our updated corporate governance policies and into communications for the organisation where beneficial. A formal Whistleblowing Action Plan has been put together and progress will be tracked by an experienced project resource. This will be reported to/monitored by the ARAC on a quarterly basis. An overview will form part of the quarterly ARAC report to the board and the full tracker furnished at the six-monthly ARAC Deep Delve. In addition a summary report is presented to BWC board, as part of our monthly monitoring so any issues can be escalated and resolved.	We must embed the Freedom to Speak Up (Whistleblowing) Policy throughout the organisation and foster a culture where all colleagues feel comfortable to report their concerns in the knowledge those concerns will be properly investigated, confident that they can do so without detriment. The Speak Up Guardian will be fully trained in all elements of whistleblowing (including oversight of investigations) and the leadership team are now trained. This means that the role of the ARAC Chair can move to being less involved than has been required over the last six months. A formal Whistleblowing Action Plan has been put together and progress will be tracked by an experienced project resource. This will be reported to/monitored by the ARAC on a quarterly basis. An overview will form part of the quarterly ARAC report to the board and the full tracker furnished at the six-monthly ARAC Deep Delve. Colleague satisfaction with Whistleblowing arrangements will be included as a area of questioning in the next BWC Colleague Survey.
4	Equalities impact assessments have been undertaken for all areas where applicable, within the last year.	Good	All policy changes and business cases require an EQIA. This is normally undertaken in conjunction with the Council.	

5	<p>A Fraud, Bribery and Corruption policy is in place and provides for reporting of fraud and irregularity.</p> <p>All frauds and suspected financial irregularities have been referred for independent investigation and reported to the Audit and Risk Committee.</p>	Working Toward	<p>Previously BWC were required to adopt the Bristol Holding Anti-Fraud, Bribery and Corruption policy, the one policy in place was inadequate for the business and the other had not been adopted. Two new and separate policies (1-Anti-Fraud, and 2-Anti-Corruption and Bribery) have been developed and implemented from May 2023. These are tailored to ensure that they are relevant for our business.</p> <p>A number of suspected irregularities (financial and otherwise) have been reported through the three whistleblows and these have been independently investigated with findings and required actions reported to the BWC Audit, Risk and Assurance Committee and the Board.</p> <p>A new Fraud, Breaches and Irregularities (FBI) report and process has been agreed with the ARAC and will form part of the agenda at all ARAC meetings going forward.</p> <p>The Fraud Risk Assessment has recently been updated and this has highlighted the need for further management training in development of robust controls.</p>	<p>Simplified versions of the Anti-Fraud and Anti-Corruption and Bribery policies will be communicated to all colleagues by end of Q1 and as part of our induction process. We will also communicate through normal management cascade arrangements.</p> <p>Quarterly reporting of Fraud, Breaches and Irregularities will be ongoing to ARAC.</p> <p>External Fraud Consultant (ex Fraud Auditor) has been engaged to run series of management workshops.</p> <p>Actions pertaining to Whistleblowing Action Plan outlined above.</p>
6	<p>Mandatory training needs are identified and all staff and managers have had all mandatory training required.</p> <p>Provide numbers of staff who have and have not completed each area of mandatory training.</p>	Working Toward	<p>Core training compliance is reported on a monthly basis and mandatory training needs are identified by our Learning and Development Manager and SHEQ Director.</p> <p>Training Compliance is a KPI regularly reviewed by management (1st line), various SHEQ forums (2nd line) and the Board (2nd Line).</p> <p>During the 2nd and 3rd quarter of the year compliance levels had slipped and became a major focus at board meetings until back within target expectations. Current levels of compliance are 92%, with scheduled plans for completion for the remainder.</p>	<p>As part of personal development planning and objective setting for the year ahead, colleague training and development needs will be set out. This will include all mandatory training.</p> <p>The effectiveness of mandatory training to front-line colleagues (a large proportion of whom are illiterate, have learning difficulties or ESOL etc) is being actively reviewed and alternative mechanisms for delivery considered (e.g. greater use of video and infographics).</p> <p>Training Compliance has been included within the 2 year assurance plan for 2023/24 and this audit will be undertaken by BCC IA.</p>
7	<p>Relevant legislation is complied with and mechanisms are in place to review procedures in light of legislative change. Detail any instances of significant legal non compliance.</p>	Working Toward	<p>We are working towards managers at all levels having a range of compliance based KPIs included in their objectives (e.g. all supervisors had new objectives defined at the start of the 2022/23 year with a key focus on compliance).</p> <p>Management reporting includes KPIs to cover related areas of regulatory/legal/H&S Compliance (1st line).</p> <p>The company has an integrated assurance plan which outlines all 2nd and 3rd Line Assurances planned and gained in this area.</p> <p>- A comprehensive set of second line assurance reviews were undertaken, predominantly by the SHEQ team, with results reported quarterly to the ARAC and six monthly to the board.</p> <p>- This year a range of third line assurance reviews were undertaken, this includes by regulators (e.g.HSE, EA), insurance providers (e.g. Zurich) and specialists (e.g. Logistics UK on the O-Licence).</p> <p>All audits were the equivalent of reasonable (or above) with actions being closed out within required timelines.</p> <p>Environmental discharge consents have internal monitoring programmes which identified on two sites analysis results above consent limits. Corrective action has been put in place for each event. There is no requirements to report these events to regulators.</p> <p> Redacted – see exempt appendix</p>	<p>In September 2022 the ARAC approved the desired format for a new Compliance Framework for the business. This will outline all relevant legislation impacting on BWC and define a clear process for (a) the update (b) dissemination of information and (c) update of all policies required. The first full version and the new process to update and manage this are on the ARAC agenda for the next meeting.</p> <p>The 2023/24 Audit Plan includes a range of audits to cover this area. This includes an audit of driver and vehicle compliance (carried over from 2022/23), an audit of Waste Duty of Care, Asset Compliance (big five), Fleet and Site Safety (HSAW Act). With the exception of the first, these will be undertaken by specialist external providers.</p>
8	<p>Data protection 2018 and UK GDPR requirements are routinely complied with by the Company</p>	Good	<p>A register of all data protection incidents is maintained listing outcomes and actions.</p> <p>Training at different levels has been undertaken with all colleagues and also forms part of our induction process. The Finance and Strategy Director is the dedicated Data Protection Officer (DPO) and will report data breaches as part of the Fraud, Breach and Irregularity reporting to the Audit, Risk and Assurance Committee.</p> <p>Regular 2nd/3rd line audits have been undertaken and improvement actions acted upon.</p>	<p>Data breaches to be regularly reported to ARAC as part of wider FBI report.</p> <p>The next 3rd line audit is planned for 2045/25 as part of the 2 year assurance plan.</p> <p>Policies are in place which were developed through BHL. The GDPR, Cyber and CCTV Policy review are scheduled into the ARAC planner for 2023/24.</p>
Defining and Delivering Outcomes				
9	<p>Fully costed business plans are in place that cover all relevant services and which clearly reflect Company objectives. The plans balance economic, social and environmental aspects of business delivery. Options appraisal is completed. Objectives are clearly communicated to staff and stakeholders are consulted.</p>	Good	<p>The fully costed business plan for 2023/24 was approved by Cabinet in March 2023 and is available to read on our Business Management System. The strategy and objectives from our Business Plan are then put into practice flowing down from our Board, SLT, Management Team and colleagues. We are improving the "golden thread" through improved team planning processes and individual objective setting.</p> <p>Whilst our processes for development of business plans are good, improvements are required in Council decision-making, particularly in the context of prevailing economic conditions and funding for services through our core contracts is insufficient to pay for current levels of service and requiring changes to methods of service delivery. Partly as a consequence of this the Council only approved a 1 year plan for 2023/24</p> <p>Management review performance against plan on a regular basis (1st line), board on a monthly basis (2nd) and BCC at Shareholder group (3rd)</p>	<p>The Council needs to improve business plan decision-making processes which facilitates effective change to be implemented in good time to secure longer term financial resilience.</p> <p>Longer term business strategy to be developed during 2023/24 and early approval of 2024-2029 business plan sought from BCC.</p> <p>The target is for 90% of colleagues to have linked objectives by the end of 2023.</p> <p>BCC IA has been commissioned to provide assurance in relation to processes and plans established to ensure Business Plan Delivery. For this to be of maximum use this needs to be scoped and conducted expeditiously by the BCC IA team.</p>

10	The organisational structure is fully resourced at both strategic and operational levels to effectively deliver key priorities of the company.	Gaps Identified	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>Redacted – see exempt appendix</p>	<p>The Council needs to significantly improve business plan decision-making processes to facilitate effective change to be implemented in good time to secure longer term financial resilience.</p> <p>Longer term business strategy to be developed during 2023/24 will focus on financial resilience.</p> <p>Early approval of 2024-2029 business plan sought from BCC.</p> <p>BCC IA has been commissioned to provide assurance in relation to processes and plans established to ensure Business Plan Delivery. For this to be of maximum use this needs to be scoped and conducted expediently by the BCC IA team.</p> <p>The Board has outlined for the shareholder a list of areas where investment is required for effective and sustained delivery.</p>
11	Key Performance Indicators have been established with robust mechanisms and clear responsibility for monitoring each performance indicator. Progress is regularly monitored and reported to senior management, Board and the shareholder as appropriate.	Good	<p>New Performance Packs were introduced from April 22 with KPIs agreed between BCC and BWC. These KPIs were reported to the BWC Board monthly (2nd)</p> <p>KPIs and performance are shared with BCC Strategic Client and Shareholder on a regular basis (3rd).</p> <p>We continue to review management information requirements and for 2023/24 have increased the number of business plan KPIs and those which will be reported to the BWC Board to ensure robust oversight.</p>	<p>A review of data management requirements will be undertaken during 2023/24, automation will be a key goal.</p> <p>In 2023/24 there will be increased focus on ensuring stronger 1st line assurance is gained in this area.</p>
12	The number of complaints received is monitored and regularly reviewed by Management. Changes necessary are made as a result of complaints received.	Good	<p>Complaints are reviewed and rectified on a daily basis through our service desk team. The complaints are primarily processed through BCC systems and responses reviewed both by BWC senior management and the BCC complaints team. Required improvement actions are fed back to appropriate service for review.</p> <p>Volume and type of complaint are reported in our monthly performance pack to the board with trends analysed and acted upon (2nd Line).</p>	<p>The 2023/24 ARAC Forward Plan includes a Deep Dive into Complaints and the two year assurance plan has a 3rd Line review of this area planned for the 2024/25 year. This will be undertaken by BCC IA.</p>
13	<p>Partnership agreements are in place that clearly define the benefits and terms of the partnership, specifying who's rules and procedures are to be followed and regularly reviewed.</p> <p>Provide brief details of partnership arrangements in place.</p>	Working Toward	<p>Key partnership arrangements are with BCC as our client and shareholder. The company has reviewed contractual arrangements for the provision of council FM services and have concluded significant shortcomings and transfer of risks not balanced or practicable with contractual provisions that risk viability.</p> <p>A small number of partnerships are in place for our Reuse shop where we support local charities as part of our commitment to deliver additional social value to the communities of Bristol.</p>	<p>Contract arrangements for both municipal waste and FM are scheduled in our 2023/24 business plan for review, and with regards to the latter without a more balanced approach to risk and reward, contract termination may need to be considered.</p>
14	All key projects are managed following consideration of options appraisal and in accordance with best practice. Progress exceptions are escalated.	Good	<p>We have a project team and a project manager for larger projects. In previous years BCC Internal Audit have reviewed our projects and project management.</p> <p>Our infrastructure projects are reviewed and monitored on a weekly basis (1st line) and transformation projects monitored through delivery board (2nd line) and reported to BWC Board monthly (2nd Line).</p> <p>Business cases for new projects contain the need for options appraisal, and where appropriate under scheme of delegation must be approved by the Board.</p>	<p>A revised scheme of financial controls and delegations was reviewed by the ARAC in April 23 and will be approved by the board in May 23.</p> <p>A process around regular PIRs for major projects will be established and overseen by the ARAC.</p>
Determining Effective Interventions and Decision Making				
15	A scheme of delegation is in place covering both financial and Human Resource responsibilities.	Working Toward	<p>The Company is governed by the overall Scheme of Delegations for the Bristol City Council Group of Companies as set out in its Articles.</p> <p>Systems were considered to be in place to ensure that colleagues could not exceed their authority with regards to our financial systems, permissions and controls. However weaknesses have been identified in this area by the new executive and board, and as highlighted by the recent whistleblowing. A revised scheme of financial delegations was reviewed by ARAC at its April meeting and is anticipated to be approved by BWC Board at its May meeting, along with Financial Regulations.</p> <p>In relation to HR areas:</p> <ul style="list-style-type: none"> - All payroll and supplier payment runs are reviewed separately by a member of the Senior Management Team. - The team that process and review payments and any other transactions have no authority to authorise in accordance with delegated authority within the company before HR or Payroll can process it. - HR systems ensure all recruitment is approved at a senior level with at least 2 Directors signatures required for new positions, that have to be backed up by a business case. Straight replacements still require SLT authority to proceed. 	<p>A revised scheme of financial controls and delegations was reviewed by the ARAC in April 23 and will be approved by the board in May 23.</p> <p>Following approval, the priority will be training and communication of colleagues at all levels.</p> <p>A 2nd Line Assurance plan will be developed in 2023/24 and a 3rd line review of adherence will be undertaken by BCC in 2024/25 as part of the 2 year assurance plan.</p>
16	A written record is maintained of all decision taken under delegations.	Working Toward	<p>All Reserved Matter decisions are recorded through shareholder processes.</p> <p>All BWC Board Meetings, Audit and Risk Assurance Committee meetings and Remuneration and People Committee meetings are fully minuted with decisions recorded as appropriate.</p>	<p>A new Co-sec is currently being recruited.</p>
17	Constitutional requirements for report writing/decision making are met.	Good	<p>All key decisions require Board approval</p>	<p>Review of documents to support delegated decision-making in accordance with revised scheme of delegations (see above)</p>
Managing Risk				

18	Risk Registers are maintained which identify key risks to delivery of objectives and identify actions being taken to manage them. Risk and action owners have been allocated to all key risks to ensure appropriate actions are taken to manage and monitor risks.	Working Toward	<p>Risk Management Framework and Strategy are in place and in 2022/23 the BWC Board approved (1) a new risk framework (April 22) and a revised Risk Appetite Statement (February 23).</p> <p>Management have risk management meeting on monthly basis (1st)</p> <p>Corporate risk reporting has been improved during the year and the register is updated monthly and a summary reported to each board meeting (2nd)</p> <p>A detailed review of Principal Risks, Controls and related Assurances is undertaken quarterly by ARAC (2nd)</p> <p>Each key risk is allocated to a risk owner who has responsibility for ensuring appropriate actions are taken to mitigate risks.</p> <p>Steps taken to ensure risk management is fully integrated into business processes (e.g. new business plan template includes both requirement to consider risks and mitigation but also how it sits vs. the defined appetite for risk)</p> <p>The Integrated Assurance Plan is fully linked to the Principal Risk register and ensuring that controls in place are adequate and working effectively.</p>	<p>Embedding risk management processes into team planning from 2023/24.</p> <p>Further executive training/workshops are planned in 2023/24 with a focus on ensuring adequate and effective controls are in place to mitigate Principal Risks.</p> <p>Risk deep dive review programme agreed at ARAC to be scheduled in Forward Planner post April meeting.</p>
19	<p>Significant risks and issues are escalated timely to Bristol Holdings and the shareholder as appropriate.</p> <p>List any risks that have crystallised during the year.</p>	Good	<p>Our quarterly report to the Shareholder includes a summary of our corporate risk register and appropriate risk appetite, which are also reported to Bristol Holdings through its Companies Assurance role.</p> <p>The BWC ARAC undertakes detailed risk reviews at each quarterly meeting and the BHL Finance Director attends both this meeting and the BWC Board. This has replaced the Group Audit and Risk Committee.</p> <p>The three key risks of increasing significance to the business in 2022/23 were:</p> <ul style="list-style-type: none"> - ability to recruit and retain talent in key operational areas; - economic environment (inflation, brexit) creating financial pressure; - lack of adequate internal controls increasing risk of fraud and other breaches; 	
20	A Health and Safety plan is in place for the company.	Working Toward	<p>We have a Health and Safety Plan and Management System in place. Mandatory training is defined for all colleagues and training compliance is covered in the sections above.</p> <p>Health and Safety is a key aspect of all colleague objectives and will be an imperative as objectives are rolled out further.</p> <p>Management review of Health and Safety occurs on weekly and monthly basis across the business (1st Line).</p> <p>The SHEQ Team undertake a comprehensive schedule of second line reviews and visible leadership inspections are undertaken on a regular basis (2nd line).</p> <p>A range of 3rd line reviews were undertaken in 2022/23 including scheduled and unscheduled site visits by the HSE (with positive outcome) and a Near Miss audit by BCC IA (reasonable assurance). In addition Approachable undertook their ISO45001 review of H&S management systems every July and December. This resulted in recertification.</p> <p>The board reviews a comprehensive set of lead and lag indicators on a monthly basis and a significant proportion of each board meeting is dedicated to understanding incidents, near misses and progress against the plan (2nd Line).</p> <p>In reviewing H&S performance and plan, the board identified key gaps in this area in relation to the effectiveness of communication with frontline colleagues and broader weakness in H&S Culture. These have been identified as key priorities within the business planning process.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>Redacted – see exempt appendix</p>	<p>Full site safety reviews (using Outsource Safety) of each HRRC starting in May.</p> <p>External review of the proposed Driver Training Improvement Plan and Hazardous Waste Plan over the next four-six weeks.</p> <p>Significant investment in resource to develop effective H&S training and communication for front-line colleagues and asked the SHEQ team for increased focus on culture, human factors (HSG 48) and route cause analysis within the course of their annual workplan.</p>
21	Business continuity plans are in place covering all critical services and systems. Plans are regularly tested and reviewed as necessary.	Good	<p>We have a business continuity team and a full plan in place, this has been tested over the last few years with the likes of Covid, snow and extreme heat. The plan has been reviewed by the ARAC and an updated draft is expected to the June Committee.</p> <p>A regular schedule of testing is undertaken by the SHEQ team (2nd Line).</p> <p>In 2022/23 the IT Manager has been working on a Cyber Incident Response Plan, with an initial draft tabled with the ARAC in December 2022. This is due to be finalised in June alongside the broader BCP.</p>	<p>Finalised BCP revision and Cyber Incident Response Plan (including simplified flow-charts for both) to the June ARAC.</p> <p>Second line testing will continue through 2023/24 and in 2024/25 a BCP Audit will be undertaken as part of the 2 year assurance plan.</p>
Financial Management				
22	Company financial and procurement regulations are in place, staff are aware of them and they are being complied with. Provide details of any known breaches during the year and actions taken.	Gaps Identified	<p>A scheme of financial delegations has been in place since 2016 but has not been reviewed until this year (this is discussed above).</p> <p>The BWC ARAC reviewed the revised delegations in April, along with a new framework of financial regulations. This will be tabled for approval with the board in May.</p> <p>A Procurement Policy and rules are in place, but this is now known to be an area of weakness. The board requested a Deep Dive in 2022/23 which highlighted gaps and resulted in the procurement audit being brought forward.</p> <p>While the TOR for that audit was being finalised, the second whistleblow occurred and specific concerns raised as part of that were able to be incorporated within the audit scope.</p> <p>Supplier and Customer Due Diligence was on the ARAC agenda for 2023/24 however as a result of findings in relation to the third whistleblow, this will be expedited.</p>	<p>Approval of financial regulations and revised scheme of financial delegations by BWC Board in May. Communication and training plan to be developed to ensure effective rollout throughout organisation.</p> <p>Revised Procurement Policy and Supplier/Customer Due Diligence process to ARAC in June.</p> <p>Approval of other key financial policies and procedures (incl credit card, pricing and debt management) during 2023/24</p> <p>Quarterly reporting on breaches to ARAC in FBI report will include procurement rules and payments made without a valid purchase order.</p>

23	Monthly budget forecasts are completed accurately by trained budget managers who are responsible for delivery within their own budget. Monitoring demonstrates good financial performance of the company.	Working Toward	<p>Last year we reported that as part of our monthly reporting procedures an updated forecast outturn is prepared for the financial year to give early warning and visibility of movements from business plan so that appropriate action can be taken. However, it became evident during the year that whilst monthly monitoring an forecasting has been regularly reported to the BWC Board, it was largely a top-down process undertaken by the finance team rather than budget managers.</p> <p>The process is being changed with effect from April 2023. Budgets and accountability have been delegated to budget managers and we are in the process of improving training and support mechanisms underpinned by financial regulations and financial procedures.</p>	<p>Embedding budget and financial delegations and accountability.</p> <p>Development of improved monthly finance and performance management packs to enhance devolved forecasting and decision-making</p> <p>Improved training and development for budget managers and support from finance business partners as part of the finance improvement programme.</p>
24	A policy is in place to manage the use of Purchase/Credit Cards. Card holders are aware of and are complying with the policy. Provide details of any known breaches during the year and action taken.	Working Toward	<p>We only have three credit card holders in the business with an overall company limit of £10,000 and spend controlled, with management oversight and approval of monthly returns. However it is recognised that no formally documented credit card usage policy, outside our wider procurement policy, is in place - and we need to ensure use of credit cards are only used when and where appropriate.</p> <p>Fuel card are used for some of our smaller vehicle with spend linked to vehicle and a limited number of supervisors. Usage is monitored and reviewed.</p>	<p>Formalisation of Credit Card Usage Policy.</p> <p>PCI compliance to form part of the FBI reporting to the ARAC.</p>
25	Arrangements are in place to ensure the companys financial resilience and delivery of value for money.	Gaps Identified	<p>Core contract uplifts are determined by the Council and for 2023/24 have been set in the context of its financial challenges, [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] Redacted – see exempt appendix</p> <p>[REDACTED]</p> <p>[REDACTED] As a consequence of failure to agree sufficient service changes with the Council to deliver longer term financial resilience, a 1 year Business Plan was approved in March 23. A new corporate risk of insufficient funding/funding misaligned with service spec. from BCC has been added to our key corporate risk register.</p> <p>Value for money is at the forefront of any operational, financial and procurement decisions we take. In our Business Plan for 23-24 we detailed £12m of financial efficiencies that will have been delivered by the end of 22-23, and the need to "live within our means" has required identification of a further £3m worth of measures. The company's balance sheet and cash reserves are monitored as part of our normal board reporting and reviewed by the BWC Board.</p>	<p>The Council needs to significantly improve business plan decision-making processes to facilitate effective change to be implemented in good time to secure longer term financial resilience. This means BWC will need to have formal agreement with BCC no later than September 2023 on either what additional base budget resources will be made available to deliver current municipal waste services, or what service changes to be implemented to address the anticipated £1m gap for 2024/25.</p> <p>Completion of contract review for core FM services, and agreement of required changes required by the end of Q1 to reflect changing circumstances of service delivery, and its viability</p> <p>Longer term business strategy to be developed during 2023/24 will focus on financial resilience.</p> <p>Early approval of 2024-2029 business plan required by BCC.</p> <p>Benchmarking and Vfm review to be considered by ARAC in latter part of 2023/24</p>
Governance Successes, Assurance and Effective Accountability				
26	Effective Audit Committees are in place to oversee governance, risk and control arrangements. Committee members are independent of Company operations and meet regularly to receive assurances in relation to governance, risk management and internal control arrangements.	Good	<p>BWC has implemented and is operating its Audit, Risk and Assurance Committee (ARAC) which oversees governance, risks and control arrangements. The Committee arrangements are in compliance with those laid out in the UK Code of Corporate Governance and include one Non-Executive Director and 2 independent members with specialist expertise in governance, risk management and audit. In addition the BHL Finance Director sits on the Committee to ensure the feed through to the holding company. The ARAC meets at least 5 times a year.</p> <p>The introduction of company specific governance committees has allowed for increased depth of rigor and review relative to the previous holding company structure where cross-company assurances reduced the depth of important reviews.</p>	<p>-Board Effectiveness review scheduled for June, ARAC Effectiveness for December</p>
27	Sufficient independent assurance (Internal Audit/External Audit/Inspectorate Reports) on risk and controls have been received and agreed actions are implemented in timely manner. Provide details of independent assurances reports received during the year. Where there are gaps in assurance please provide details.	Working Toward	<p>Major progress has been made in the area of assurance, with the new ARAC requiring a range of reporting that was previously absent from the group structure such as regular integrated assurance reporting, detailed compliance framework, fraud, breaches and irregularities reporting.</p> <p>65% of BCC IA Audits between 2019 and 2022 were deemed to provide 'reasonable assurance'. Given the state of internal controls within the business, it is recognised that the previous process needed to be changed and a range of specialist providers used in conjunction with BCC IA. What was an audit plan driven by the BCC IA team with input from the BWC executive, will now led by the company based on a detailed assurance map. This is in place for the 2023/24 year and input has been taken from BCC IA. The ARAC and IA team will also collaborate on some new initiatives (such as cultural auditing).</p> <p>A range of independent (3rd line) assurances have been gained in 2022/23 year. This includes:</p> <ul style="list-style-type: none"> - Approachable Ltd - ISO 9001 (Quality), 14001 (Environmental) and ISO 45001 (Occupational Health) and ISO 27001 (Information Security). BS15713 (secure disposal standards). - HSE - scheduled and unschedule site visits (including Avomouth and Albert Road) - EA - site visits (multiple sites) - Logistics UK - O Licence - BCC IA - Recruitment, onboarding and exit, Near Miss, Commercial Waste Revenue & AR, Hartcliffe PIR - Zurich- property audits (multiple sites) - NSI - surveillance and security audits <p>This is in addition to the BCC Waste Client quarterly audit programme.</p> <p>Only one audit had Limited (or equivalent findings) and that was the Commercial Waste Revenue/AR Audit, where a clear action plan is in place. Re-certification has been granted for all ISO standards.</p> <p>Where there was an unacceptable delay/extension in previous management actions, these have all been closed out bar one (which has a plan to rectify). A new format for tracking and focusing on management actions will be used at ARAC from June.</p>	<p>2023/24 Integrated Assurance Plan has been approved by ARAC for recommendation to the May Board. Draft Plan of 3rd Line Assurances for 2024/25 also included to create the two year view.</p> <p>Plan increases significantly use of BCC IA but also a range of specialist providers to deliver required assurances.</p>

28	Detail any significant changes in governance that have occurred during the year 2022/23.	Working Toward	<p>There has been a complete change in the board over the past 12 - 18 months. The MD, FD, OD (Interim MD for a period) and BWS Director all departed during the course of the 2022/23 year. Certain of those roles were permanently replaced (OD, FD) and others elevated to director level including SHEQ Director (now full time) and Director of People. One of the NEDs has been standing in as Interim MD for the last four months and the board are discussing interim and permanent candidates for MD with BCC.</p> <p>We appointed experienced independent members to the ARAC (2) and REPCO (2) and both these Committees became operation during the year, improving corporate governance arrangements and rigor and depth of review.</p> <p>A strong balanced board performance reporting pack is produced monthly, the forward plan is comprehensive and the rigor of challenge and debate at the board has increased exponentially.</p>	<p>Recruitment of permanent MD.</p> <p>Recruitment of new Non-Execs to the board as current terms expire.</p> <p>Embedding BWC ARAC and REPCO arrangements.</p> <p>Approval of Financial Regulations and revised scheme of financial delegations.</p> <p>Update of key policies and procedures in line with the board agreed schedule.</p>
29	<p>Detail significant failures in risk management, governance and internal control within the company that may require reflection the the Council's Annual Governance Statement. These might include issues which have:</p> <ul style="list-style-type: none"> • Seriously prejudiced or prevented achievement of a principle objective; • Required a significant diversion of resources; • Had a material impact on the accounts; • Resulted in significant public interest or has seriously damaged reputation; • Resulted in formal actions being taken by the Chief Financial Officer or Monitoring Officer; • Received significant adverse commentary in external inspection reports that has not been able to be addressed in a timely manner; <p>- has demonstrated significant poor value for money</p> <p>(The above is for guidance and not an exhaustive list.)</p>	Working Toward	<p>There are three areas which should be highlighted:</p> <ol style="list-style-type: none"> 1. the inability to complete a business plan beyond one year due to misalignment between funding and cost to provide services; 2. broader issues in governance and oversight inherited from previous board/management: <ul style="list-style-type: none"> - legacy of previous BWC Board and management; - breadth covered by previous centralised/Holdco governance limited depth/rigor in independent assurance; 3. review by the new board./executive and whistleblowing subsequent to senior mgmt exits, has revealed control weakness in: <ul style="list-style-type: none"> - financial and contractual delegations and controls; - procurement policy and compliance - expenses management; - due diligence in relation to suppliers and managers; - certain on-site safety practices; - code of conduct; - contractual agreements and oversight; - commercial contract management; - management behaviours. 	<p>Significant focus has gone into and continues to go into these areas:</p> <ol style="list-style-type: none"> 1. early planning is underway between BWC and BCC - working together to formulate the future service proposition and funding model along with the efficiency plan for BWC to deliver against; 2. (a) there has been a full change out in the BWC board (exec and non-exec) over the past 18 months. Currently recruiting for an interim turnaround MD and a permanent MD. NEDs coming to the end of their two year term over the coming six months with no plans to renew, so Chair and ARAC Chair roles in recruitment. (b) BWC now (since Sept 22) has its own ARAC and REPCo in place, each with a NED and two independent members. BHL maintaining oversight through BHL FD attendance at BWC Board and ARAC 3. A schedule of review has been established for the re-drafting, training and communication of all key company policies. This includes whistleblowing, expenses, Anti-fraud, Anti-bribery and corruption, Financial Delegations and Controls, Code of Conduct. <p>Whistleblowing Action plans are being formalised with clear reporting process (allocated project manager, updates to ARAC, Board and Shareholder Board).</p> <p>Integrated Assurance Plan approved by ARAC for 2023/24 and draft 3rd Line for 2024/25 - to May BWC Board. Input/Review from the BCC Chief Internal Auditor and his team. This includes a much more comprehensive audit programme including increased use of specialist external providers in areas such as Health and Safety and Compliance.</p> <p>External resource to review our approach and process for commercial services and new Sales Director recruited to lead this business area. A range of management training to cover not only process but behavioural change.</p>
Sign Off:	Completed by: Chris Holme Designation: Finance & Strategy Director Date: 03/05/23			

Bristol Waste Company

**Audit, Risk and Assurance Committee
Terms of Reference**

Version 3.0 to be approved by the Audit, Risk and Assurance Committee 13 September 2022

Bristol Waste Company

(the Company)

AUDIT, RISK AND ASSURANCE COMMITTEE (the Committee)

TERMS OF REFERENCE

1. Purpose

The purpose of the Committee is to assist the Bristol Waste Company (BWC) Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- 1.1 the integrity of the financial information provided to BWC and Bristol City Council (ultimate Shareholder);
- 1.2 the Company's and the Group's systems for internal controls and risk management;
- 1.3 the internal and external audit process and auditors; and
- 1.4 the process for compliance with laws, regulations and ethical codes of practice.

2. Membership

- 2.1 Members of the Committee shall be appointed by the BWC Board. The Committee shall be made up of at least 3 members.
- 2.2 Members of the Committee shall be independent non-executive directors and co-opted member(s); at least one of whom shall have recent and relevant financial experience and with competence in accounting and/or auditing. The BWC Board may co-opt members to the Committee who they consider have particular skills and abilities which would assist with the work of the Committee. The Chair of the BWC Board shall not be a member of the Committee.
- 2.3 Only members of the Committee have the right to vote at Committee meetings. However other individuals such as the Chairman of the BWC Board, the BWC Finance Director, Managing Director and other directors and managers may be invited to attend all or part of any meeting as and when appropriate. A representative of Bristol Holding Company Board or other shareholder representative may attend as an observer from time to time.
- 2.4 BCC Internal Audit will be invited to attend each meeting of the Committee and the external auditor(s) lead partner as appropriate.
- 2.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the director remains independent.
- 2.6 In the absence of the Committee Chair and/or an appointed deputy, a remaining member present shall elect himself or herself to chair the meeting.

3. Secretary

3.1 The [*BWC Company Secretary*] or their nominee shall act as the Secretary of the Committee.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be 2 members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

5.1 The Committee shall meet at least five times a year, quarterly and one additional meeting at an appropriate time in the reporting and audit cycle to review Report and Accounts and to approve the Annual Comprehensive Assurance Statement.

5.2 Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the Company's governance, including the BWC Board Chair, the BWC Finance Director, the external audit lead partner(s) and the internal Audit Manager.

6. Notice of Meetings

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7. Minutes of Meetings / Conflicts of Interest

7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and once agreed, to all members of the BWC Board.

8. Duties of the Committee

The Committee should carry out the duties below for the Company:

9. Financial Statements

The Committee shall monitor the integrity of the financial statements of the Company, including Annual Reports and any other announcements relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. Review and report to the BWC Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor. In particular the Committee shall review and challenge where necessary:

- 9.1 the consistency of, and any changes to, accounting policies on a year-on-year basis and across the Company;
- 9.2 the methods used to account for significant or unusual transactions where different approaches are possible;
- 9.3 whether the Company has adopted appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor(s) on the financial statements;
- 9.4 the clarity of disclosure in the Company's financial reports and the context in which statements are made;
- 9.5 all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management;
- 9.6 to enable the Committee to effectively monitor the integrity of the financial statements of the Company it shall review such other statements requiring Board approval which contain financial information as may be appropriate and shall do so prior to submission to the Board where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation; and
- 9.7 where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the BWC Board.

10. Narrative reporting

Where requested by the BWC Board, the Committee should review the content of the Company's Annual Report and accounts and advise the BWC Board whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for the shareholder to assess the Company's performance, business model and strategy and whether it informs the Board's statement in the Annual Report on these matters.

11. Internal Controls and Risk Management Systems

The Committee shall:

- 11.1 keep under review the Company's internal financial control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems;
- 11.2 annually review reserves and tax strategy and policies;
- 11.3 review and approve the statements to be included in the Company's Annual Report and financial accounts concerning internal controls and risk management and viability statement;
- 11.4 oversee the Company's strategy and policy for risk management and the risk management process;
- 11.6 monitor the adoption and application of risk management policies throughout the Company/Group and any subsequent amendments thereto;
- 11.8 review and agree a methodology for how risks are to be recorded in the Board/strategic risk register;
- 11.9 assess the effectiveness of the control systems established by management to identify, assess, manage and monitor financial and non-financial risks;

12. Compliance, Whistleblowing and Fraud

The Committee shall:

- 12.1 review the adequacy of the company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 12.2 review the company's procedures for prevention, detecting and countering fraud, corruption, bribery and money-laundering;
- 12.3 review the company's systems and controls for the prevention of modern slavery;
- 12.4 review the company's governance arrangements for compliance with other legislative and industry standards and requirements and oversee the process for ensuring that a robust Compliance Framework is in place and operational;
- 12.5 receive regular periodic updates on all of these issues;
- 12.6 receive from the Internal Audit function assurance around the design and implementation of anti-fraud measures for the Group.

13. Internal Audit

The Committee shall:

- 13.1 review of the role of the BCC internal audit team in supporting its integrated assurance plan, monitor and review the effectiveness of its work, and annually approve the internal audit plan ensuring it is appropriate for the current needs of the organisation;
- 13.2 approve the appointment of any third party audit manager/advisors where BCC internal audit does not have the technical expertise to deliver the specific assignment;
- 13.3 review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out;
- 13.4 ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- 13.5 ensure the internal auditor manager/advisor has direct access to the BWC Board Chair and to the Committee Chair, providing independence from the executive and accountability to the Committee;
- 13.6 carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:
 - 13.6.1 meet with the head of internal audit process without the presence of management to discuss the effectiveness of the function;
 - 13.6.2 review and assess the annual internal audit work plan;
 - 13.6.3 receive a report on the results of the internal auditor's work;
 - 13.6.4 determine whether it is satisfied that the quality, experience, and expertise of internal audit is appropriate for the business; and
 - 13.6.5 review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.
- 13.7 monitor and assess the role and effectiveness of the internal audit function in the overall context of the company's risk management system and the work of compliance, finance and the external auditor; and
- 13.8 consider whether an independent, third party review of processes is appropriate.

14. External Audit

14.1 The BHL Board/BCC Assurance Committee will be responsible for the appointment and overarching management of the external auditor(s) for the Group. This will include conducting all necessary due diligence in relation to financial, legal and ethical considerations.

The Committee shall support this by:

- 14.1.1 considering and making recommendations to in relation to the performance, appointment, re-appointment and removal of the external auditor(s);
 - 14.1.2 inputting into the selection procedure ensuring that all tendering firms have access to all necessary information in relation to the Company and individuals during the tendering process;
 - 14.1.3 if an auditor resigns, support any investigation into the issues leading to this and the decision as to whether any action is required;
 - 14.1.4 approving their remuneration in respect of services provided in relation to the Company, including both fees for audit and non- audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - 14.1.5 approving their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 14.1.6 satisfying itself that there are no relationships between the auditor and the Company (other than in the ordinary course of business) which would adversely affect the auditor's independence and objectivity;
 - 14.1.7 meeting regularly with the external auditor (s) (including once at the planning stage before the audit and once after the audit at the reporting stage), and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit of the Company;
 - 14.1.8 discussing with the external auditor the factors that could affect audit quality and review and approve the annual audit plan as relates to the Company, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team; and
 - 14.1.9 approving the annual audit plan for the Company and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- 14.2 reviewing the findings of the audit in relation to the Company with the external auditor(s). This shall include but not be limited to, the following:
- 14.2.1 a discussion of any major issues which arose during the audit;
 - 14.2.2 key accounting and audit judgements;
 - 14.2.3 levels of errors identified during the audit;
 - 14.2.4 the effectiveness of the audit process.

14.3 The Committee shall also:

14.3.1 review any representation letter(s) requested by the external auditor(s) before they are signed by management;

14.3.2 review the management letter and management's response to the auditor's findings and recommendations; and 14.5.3 review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

15. Reporting Responsibilities

15.1 The Committee Chair shall report formally to the BWC Board on its proceedings after each meeting on all matters within its duties and responsibilities. The report shall include:

- (i) the significant issues that it considered in relation to the financial statements (as required under para 9) and how these were addressed
- (ii) its assessment of the effectiveness of the external audit process (as required under paragraph 14.4.8), the approach taken to the appointment or reappointment of the external auditor, length of tenure of the audit firm, when a tender was last conducted and advance notice of any retendering plans; and
- (iii) any other issues on which the BWC Board has requested the Committee's opinion.

15.2 The Committee shall make whatever recommendations to the BWC Board it deems appropriate on any area within its remit where action or improvement is needed. Also:

- (i) the Committee shall compile a report on its activities to be included in the Company's Annual Report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matter communicated to it by the auditor.
- (ii) in compiling the reports referred to in 15.1 and 15.2(i), the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern and the inputs to the Board's viability statement. The report to shareholders need not repeat information disclosed elsewhere in the Annual Report and accounts but could provide cross-references to that information.

15.3 The Committee shall compile, and recommend to the BWC Board for approval, the Annual Comprehensive Assurance Statement for the shareholder.

16. Other Matters

The Committee shall:

- 16.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 16.2 be provided with appropriate and timely training, both in the form of an induction programme for members and on an ongoing basis for all members;
- 16.3 give due consideration to relevant laws and regulations;
- 16.4 be responsible for the coordination of the internal and external auditors;
- 16.5 oversee any investigation of activities which are within its terms of reference;
- 16.6 work and liaise as necessary with all other Board Committees, taking particular account of the impact of risk management and internal controls being delegated to different Committees; and
- 16.7 arrange for periodic reviews of its own performance and, at least annually review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the BWC Board for approval.
- 16.8 provide reporting, audits and reviews required to support the BHL Board/BCC Assurance Committee. The agreement in relation to the cost and timing of the reviews will be agreed by the BWC Board and BHL Board/BCC Assurance Committee prior to commencement.

17. Authority

The Committee is authorised:

- 17.1 to seek any information it requires from any employee of the company in order to perform its duties;
- 17.2 to obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference;
- 17.3 to call any employee of the company to be questioned at a meeting of the Committee as and when required;
- 17.4 oversee any investigation of activities which are within its terms of reference; and
- 17.5 have the right to publish in the Company's Annual Report, details of any issues that cannot be resolved between the Committee and the Board.

APPENDIX 3: 2022/2023 INTEGRATED ASSURANCE SUMMARY

Q1 Apr-Jun 22			Q2 Jul-Sep 22			Q3 Oct-Dec 22			Q4 Jan-Mar 23			Initiated in period, reported post		
2 nd / 3 rd	ASSURANCE	OUT CO ME	2 nd / 3 rd	ASSURANCE	OUTC OME	2 nd / 3 rd	ASSURANCE	OUTCOME	2 nd / 3 rd	ASSURANCE	OUTCOME	2 nd / 3 rd	ASSURANCE	OUT COME
3 rd	Hartcliffe Pre- Imp Review	G	3 rd	13/9 EA Inspection x 3	Good	3 rd	ISO27001 & BS15713	Good	3 rd	BCC IA – Near Miss	Reasonabl e	3 rd	BCC IA – Driver/vehicle Compliance	TBD
3 rd	EA inspection – Albert Road	G	2 nd	BMS audit IT Reuse 27001	Low	3 rd	ISO9/14/45/41001	Good	2 nd	31/1 Security key audit – South	Medium	3 rd	BCC IA – Procurement and Contracts Management	Limited
3 rd	EA inspection – Hartcliffe Way	G	3 rd	BCC IA – Recruitment, Onboarding and Exit	Reason able	3 rd	NSI	Good	2 nd	02/3 Security key audit – Central	Medium	3 rd	KPMG Forensic Audit – Specific Customer	Limited
3 rd	Zurich Property audit – Albert Rd	G	3 rd	EA inspection – Days Rad	Good	2 nd	BMS audit – AR transfer Station	Medium	2 nd	07/03 Security key audit – North	Medium			
3 rd	Zurich Property audit – Days Rd	M	3 rd	ISO9/14/45001	Good	2 nd	Payroll review	Recommend ations	2 nd	16/02 BMS audit – City Hall	Medium			
3 rd	BCC Client audit – Days Road	M	3 rd	SafeContractor	Good	2 nd	Income Review	Recommend ations	3 rd	20/02 NSI audit – Security	Good			
3 rd	ISO41001 Facilities Mgt	G				2 nd	CDM Projects Days Road salt move	Medium	2 nd	30/01 BMS Audit –Refuse & Recycling	Medium			
2 nd	Management Review	G				2 nd	DSEAR Albert Road Transfer Station	Medium	2 nd	15/02 BMS audit – Street Cleansing	Medium			
2 nd	BMS audit – recycling	M				2 nd	BMS audit – Fleet & workshop	Medium	3 rd	14/03 BCC Client audit – villages (ex-toilets)	Low			
2 nd	BMS audit – Fleet	M				2 nd	Performance Data review	Recommend ations	3 rd	23/02 BCC Client audit – Hartcliffe	Low			
2 nd	BMS audit – Clinical	M				3 rd	BCC IA -Commercial Revenue & AR	Limited	3 rd	16/03 HSE Spot Check – Albert Road	Good			
									3 rd	23/03 HSE – Spot check – Avonmouth	Good			
									3 rd	28/03 EA inspection – Albert Road	Good			
									3 rd	23/03 Logistics UK O Licence Fleet	Low			
									3 rd	22/03 ISO QLS – ISO27001	Good			

APPENDIX 4– WHISTLEBLOWING SUMMARY

	WB1	WB2	WB3
WHISTLEBLOWER	Ex Colleague	Colleague (now ex colleague)	Ex Colleague
AREA BUSINESS	Commercial Waste	HRRC/Transfer Station	HRRC/Transfer Station
TYPE ALLEGATIONS	<ul style="list-style-type: none"> • Fraud • H&S • Code of Conduct • Management cover-up 	<ul style="list-style-type: none"> • Potential Fraud/Fraud • Code of Conduct 	<ul style="list-style-type: none"> • Health and Safety • Code of conduct • Commercial (business concern)
INVESTIGATION OVERSIGHT	ARAC Chair	ARAC Chair (WB) Interim MD (Bus Concerns)	ARAC Chair
EXTERNAL BODIES ENGAGED FOR INVESTIGATION	<ul style="list-style-type: none"> █ [REDACTED] █ [REDACTED] █ [REDACTED] 	<ul style="list-style-type: none"> █ [REDACTED] █ [REDACTED] █ [REDACTED] █ [REDACTED] 	<ul style="list-style-type: none"> █ [REDACTED] █ [REDACTED] █ [REDACTED] █ [REDACTED]
INVESTIGATION STARTED	Nov	Feb	March
WHISTLEBLOWING OPEN/CLOSED?	Closed	Closed	Closed

Redacted- see exempt appendix

Report to:	Bristol Waste ARAC	Agenda item No:	
Date of Meeting:	25 April 2023		

Title of Report:	2023/24 Audit Plan
Board Sponsor:	Charmion Pears
Author(s):	Charmion Pears (with input from Lucy Edgar and Chris Holme)
Appendices	Audit Planning – 2 nd and 3 rd Line Map

1. Executive Summary and outcome sought

Since the ARAC was set up last year, we have been working to build on our integrated assurance reporting and planning. We have a strong second line resource, and their activity, and that of non-BCC IA 3rd lines, were largely unreported to the previous ARC or BWC Board.

The integrated assurance reporting (which is work-in progress), allows us to gain a more comprehensive view of assurance and to ensure our 3rd line audit resource is deployed most effectively (e.g. we are avoiding duplication). Having our SHEQ Director as a regular attendee at the ARAC has been very beneficial given much of the activity is happening under her leadership.

In 2023/24 we will build on this and in addition, look to ensure that our 1st line is working effectively.

In support of 2023/24 planning, we have created an integrated assurance map. This uses the format tabled and agreed by the ARAC in its inaugural meeting. It outlines our Principal Risks and Controls and then maps proposed 2nd and 3rd line assurances to those. As is evidenced by gaps in the file, the executive is concurrently working on ensuring adequate controls are in place for some of the newer risks.

In developing the current mapping, various inputs have been incorporated. These include:

- Outputs from recent whistleblowing investigations;
- Work done by the SHEQ Director in her regular planning to ensure integrity of the BMS;
- Requirements from certain regulators, customers or suppliers;
- Input from BCC IA based on what they have learned in their current and previous work with BWC;
- Prior years audits

It is good practice to have a two or three year audit plan. In the attached you will see we have a clear view for the 2023/24 year and have a base W-I-P plan for 2024/25.

Outcome sought: the ARAC is asked to approve the 2023/24 plan for recommendation to the BWC Board.

2. The Main Report

The attached excel file contains the assurance map. The key columns for ease of reference are:

- D – F (second line)
- J and K (third line 2023/24 and WIP 2024/25)

This results in the second line plan outlined in the file, and the third line plan both outlined in the file and summarised for ease of reference below. Please note, the summary below is arranged in order of timeline, the view by Principal risk can be found in the file.

Author:	Date:
Document Approved by:	Version:
Agenda Item:	Page 1 of 5

2023/24 3rd Line Audit Plan

Audit	Provider	Timing
Procurement (prior year carried over)	BCC IA	April
O-licence	UK Logistics	April
Paymech review	E&Y for BCC	April
Plan B Supplier Review (prior year, carried over)	KPMG	April
Review of Fraud Risk Assessment	Sapey Associates	April
Driver/vehicle compliance (prior year carried over)	BCC IA	May
Business Plan Delivery	BCC IA	May/June
Avonmouth Full Site Safety Review	Outsource Safety	May
Albert Road, Hartcliffe, Days Road Full Site Safety Review	Outsource Safety	June
External audit/report and accounts	PWC	April-July
Asset Compliance (big 5, environmental)	TBD	Q2
Waste transfer notes/Waste Duty of Care	Bureau Veritas?	June
Safe Contractor Renewal Audit	SafeContractor	May
Fleet processes, management, controls	TBD	Q2
ISO 45001 H& S Management Systems	Approachable	July, Dec
ISO 14001 Env Mgmt Systems	Approachable	July, Dec
ISO 9001 Quality Management Systems	Approachable	July, Dec
ISO 27001/BS15713 Info Security/Destruction	QSL	August, Feb
Surveillance Visit	NSI	August, Feb
Overtime and agency spend	BCC IA	Q2
Debt management	BCC IA	Q2
Accounts Payable (data analytics check)	BCC IA	Q2
Sickness and absence management	BCC IA	Q3
Capital projects	BCC IA (outsource)	Q3
Training compliance	BCC IA	Q4
IT Resilience	BCC IA	Q4
Review of management actions (incl eco-online follow up)	BCC IA	Sample quarterly
BCC Quarterly Waste Client Audits	BCC Client	Quarterly

This represents a significant increase in the Audit Programme for the year as was desired. We will be using several specialist providers, but we will also draw more heavily on BCC IA. This will require they stay on schedule and the BWC team delivers within their required deadlines.

For BCC IA this plan represents:

- Close out of current Audit (procurement)
- 1 Audit carried over (driver and vehicle)
- 6 Full Audits (business plan, capital projects, overtime & agency, debt management, sickness & absence, training compliance)
- 1 outsourced audit via. BCC IA (IT resilience)
- 1 data analytics run (Accounts Payable)

- Sample of management actions

In addition to the work outlined above, BWC ARAC will collaborate with BCC IA on the proposed work BWC are planning on doing in relation to cultural audits (2nd Line). This will be discussed in more detail at the next ARAC.

In order for the ARAC, Board and Shareholder to have confidence that the areas requiring follow-up post governance changes/whistleblowing have been appropriately covered, below is a draft of the 3rd Line Plan for 2024/25. This is work in progress.

2023/24 3rd Line Audit Plan – Work in Progress Draft

Audit	Provider	Timing
Expenses Audit	BCC IA	Q1
HRRC/Transfer Station/Weighbridge Control	TBD	Q1
Code of Conduct	BCC IA	Q1
External audit/report and accounts	PWC	April - Jul
ISO 45001 H& S Management Systems	Approachable	July, Dec
ISO 14001 Env Management Systems	Approachable	July, Dec
ISO 9001 Quality Management Systems	Approachable	July, Dec
CCTV Policy Adherence	TBD	Q2
Financial Delegations/Controls/Budgetary Control	BCC IA	Q2
Cybersecurity/GDPR	TBD	Q2
Performance Management	BCC IA	Q2
ISO 27001/BS15713 Info Security/Destruction	QSL	August, Feb
Surveillance Visit	NSI	August, Feb
Fraud Risk Assessment Controls check	TBD	Q3
Commercial Revenue	BCC IA	Q3
Complaints – management and resolution	BCC IA	Q3
BCP	BCC IA	Q4
Accounts Payable	BCC IA	Q4
Review of management actions (incl eco-online follow up)	BCC IA	Sample quarterly
BCC Quarterly Waste Client Audits	BCC Client	Quarterly

4. Risks

The whole purpose of the plan is obviously to ensure that mitigating controls for Principal Risks are adequate and working effectively.

In terms of risks to delivery of the above plan:

- it represents a significant increase in the number of audits for BCC IA to deliver whilst ensuring no compromise to quality of outcomes;
- the BWC Executive team are extremely stretched with the delivery of an ambitious business plan and starting the 2024/25 budget/business planning process. They will need to ensure that appropriate resource is deployed from their teams in support of the audits;

- the ARAC Chair will be leaving BWC within the period covered by the plan. A meaningful handover and smooth transition the new Chair will be required.
- With only 4 – 5 scheduled ARACs a year, certain activity will need to occur by email circulation in between meetings. The ARAC members will need to be diligent in using their additional days (the 5 over the 4-5 meeting days) to provide meaningful input and feedback within the deadlines requested.

5. Resource Implications (Financial / Value for Money Considerations / Staffing)

Resource implications are considered within the risks above. It should be noted that currently the ARAC Chair is doing a lot of work to support an already stretched executive to deliver against ARAC requirements. Discussions are ongoing between the Board and BCC in relation to the required investment into the business to keep the momentum behind improved governance.

In terms of financing the plan outlined above, the audits carried over have been accrued for, an increase in the budget for internal audit has been factored into the next business plan and the Board is discussing the balancing investment required with the shareholder.

6. Legal / Regulatory Implications (if any)

Assurances in relation to controls related to legal and regulatory compliance are a feature of the plan.

Further, outcomes of the various audits may result in further legal or regulatory considerations.

7. Customer Engagement and Impact

Assurances in relation to service delivery are a feature of the plan.

A specific audit in relation to Complaints Management and Resolution is factored in for 2024/25 and a deep dive into this area has been factored into the current year forward plan.

8. Equality and Diversity

There are no known impacts in relation to EDI resulting from the audit plan. It is recognised that a specific audit in this area needs to be part of the 3-year view, it will take place in 2025/26.

REPCO will be reviewing compliance in relation to this area on an ongoing basis and the board has regular deep dives (next planned for August).

9. Health & Safety

Assurances in relation to adequacy and effectiveness of controls put in place to manage Health and Safety risks are a key factor of the 2023/24 Audit Plan.

10. Data Protection/ Data Integrity

Assurances in relation to adequacy and effectiveness of controls put in place to manage Data Security and Cyber Security risks are a key factor of the 2023/24 Audit Plan.