

**Bristol City Council
Minutes of the Audit Committee**

20 November 2023 at 2pm



Members Present:-

Councillors: Andrew Brown – Chair, David Wilcox – Vice-Chair Elect, Fabian Breckels, John Geater, Zoe Goodman, Jonathan Hucker, Patrick McAllister

Independent Members of the Committee: Simon Cookson

Councillors Gollop, Fodor & Hopkins – Resources Scrutiny Members attended for Items 19 & 20.
Councillor Townsend -People Scrutiny Chair attended for Items 19 & 20.

Officers in Attendance:-

Denise Murray – Director of Finance, Simba Muzarurwi – Chief Internal Auditor, Alison Mullis – Deputy Chief Internal Auditor, Richard Young – Head of Strategic Finance, Tony Whitlock – Finance Business Partner, Allison Taylor – Democratic Services

Also in attendance:-

Joachim Adenusi – Risk & Insurance Senior Officer, Phil Eames – Audit Manager, Louise Lee – Audit Manager, Mette Jakobsen – Director Adult Social Care, Fiona Tudge – Director Children & Families, Niotia Ferguson – Head of Procurement & Contract Management, Matthew King – Governance & Performance Manager, Thomas Jarvis – Programme Manager - Education, Gary May – Strategic Programme Lead - Education.

1 Welcome, Introductions and Safety Information

The Chair welcomed all parties to the meeting and in particular welcomed Councillor Patrick McAllister as a new member of the Committee as Councillor Tony Dyer had stood down. He wished to place on record his thanks to Councillor Dyer for his help and support during his time on the Committee. The Chair also welcomed Councillor David Wilcox who was Vice Chair nominated and to be confirmed at the next Full Council. The Committee noted the emergency evacuation procedure for the Council Chamber if required.

2 Apologies for absence.

Apologies for absence were received from Councillor Cole and Adebola Adebayo.



3 Declarations of Interest.

There were none.

4 Minutes of Previous Meeting.

RESOLVED – that the minutes of 25 September 2023 be approved as a correct record .

5 Action Sheet.

The Chair referred to Action 1 and clarified that the risks should be rated by the highest rated risk first then descending.

6. Public Forum

The statements were noted.

7. Work Programme

The Committee noted the Work Programme for future meetings.

8. 21/22 External Audit - Grant Thornton verbal update.

The GT representative informed the Committee that the outstanding information requested had now been received and there was now one financial instrument matter to deal with. It was anticipated that the audit would be completed in the next couple of weeks.

Resolved – That the verbal update be noted.

9. Treasury Management Mid-Year Report.

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. It was agreed to clarify as an action why the expected borrowing for the next 5 years had risen from £608M to £641M;
2. The Bristol Beacon was funded by the Capital Programme for which there would be a detailed breakdown at the end of the financial year; It was also noted the funding came from a number of sources;
3. There was an increase in the Net debt from the September 2023 to March 2024 due as some income streams would be received in advance and debt was needed to support the funding of the Capital programme. It was noted that the rate was missing from a cell but was 4.72%
4. The HRA Business Plan was being reviewed as part of the budget process in light of Barton House.
5. In relation to Para. 23, in terms of assurance, it was reported that it was necessary to carry out an assessment on the effective timing of borrowing.
6. In relation to Para. 31 it was confirmed that the HRA funding within the Capital Programme had reduced.



Resolved – That the Treasury Management Mid-Year Report be noted.

10. Q2 2023/24 Corporate Risk Report Update.

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. The Chair informed the Committee that the Risk Owner of CRR12 had been unable to attend the Committee as she was still dealing with the Barton Hill as a live incident. It was agreed to submit written questions to the Clerk who would forward on for written responses from the Head of Service which would be shared with the Committee;
2. With respect to CRR25 and likelihood of progressing the risk earlier than 2028 it was agreed to feedback via the Action Sheet;
3. It was reported that some risks were overarching and that DSG fell into CRR15 & CRR13. The service risk registers held the detailed plans for DSG;
4. An update on mitigation actions was requested in respect of CRR27;
5. It was noted that Barton House would feed into mitigation measures and risk CRR52;
6. It was noted that the summary table 4x4 grid was confusing and this would be addressed as an officer action.

Resolved – That the Q2 2023/24 Corporate Risk Report update be noted.

11. Internal Audit Half Year Report 2023/24.

The Director Children & Families & the Director Adult Social Care were in attendance for Transition from Children to Adults IA review – (Appendix 2) and summarised as follows:-

1. Issues with transition had been acknowledged by senior management and a project had already been initiated to review and improve upon the existing transition arrangements. The findings of the audit would inform the development of the project;
2. The IA provided limited assurance and raised four high priority and medium priority weaknesses;
3. The first immediate action was to join the 2 existing teams together into a Young Adults Transition Service and additional resources was brought into the teams;
4. 80% of audit actions had been completed;
5. Other LA's had been looked at for benchmarking purposes as it was important to improve the service with good evidence.

The following points arose from discussion:-

1. It was agreed to provide the Committee, via the Action Sheet, with greater detail on the numbers of young people who might need support to transition;
2. Young people would be identified from the age of 14 and would be monitored by the team all the time;
3. As the IA review was limited assurance it would be subject to a detailed follow up in Q1 next year and outcomes would be reported to the Audit Committee in the normal way;
4. There were multiple reasons for the failings and the service had been systematically fractured;
5. There was a request for members to have access to Power PI dashboard and the CIA agreed to take this request away and report back;



6. The number of actions to address the limited assurance opinion was acknowledged and positive outcomes were anticipated.

Resolved –

1. That the planned follow up work of the Internal Audit Service during the first half of the 2024/25 financial year be noted;
2. That the Audit Committee be assured on actions taken to complete the agreed priorities for the rest of the year.

12. Counter Fraud Update.

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. It was noted that procurement and direct payments are areas of significant fraud risk but fraud is always difficult to prov. While every case of suspected fraud is investigated the council's approach is to prevent the fraud from happening in the first place. Work is ongoing with management to complete risk assessments across all the areas of the business where there is a significant risk of fraud.
2. The responsibility for managing fraud risks in contracts rests with the commissioning managers who should undertake necessary due diligence to ensure that they are paying for what they have commissioned and received.
3. It was confirmed that relevant training was given to all BCC officers who commissioned services.

Resolved - That the Half Year Fraud report for the 2023/24 financial year be noted.

13. Audit Committee's Half Yearly report to Full Council 2023/24 (draft)

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. The Chair reported that a clause had been added thanking Councillor Dyer for his work on this Committee as Vice-Chair.

Resolved - That the Audit Committee's Half Yearly report to Full Council be approved.

14. Internal Audit Quality Assurance Improvement Programme.

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. From an assurance perspective this was an important paper and was welcomed;
2. The CIA confirmed that there were 12 FTE's in the team and he was comfortable with the resources available.

Resolved – That the following be approved:-



- (i) the Internal Audit Quality Assurance and Improvement Programme (QAIP) – Appendix 1;**
- (ii) the Internal Audit Charter – Appendix 2; and**
- (iii) the Internal Audit Strategy – Appendix 3.**

15. Internal Audit 2023/24 Q4 Priorities.

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. It was noted that Emergency Planning was on the programme and it was welcomed that Disclosures team including Subject Access Requests processes had been included.

Resolved – That the proposed Quarter (Q) 4 priorities for 2023/24 be approved.

16. Procurement Compliance Update.

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. It was confirmed that the 342 breaches was a cumulative figure for Q3 & Q4.

Resolved - That the data on procurement breaches and the actions underway to improve procurement compliance be noted.

17. DSG Deficit Reduction Programme.

The report was summarized for the benefit of the Committee and the following points arose from discussion:-

1. The subject had previously been to Cabinet though members were disappointed to note that it had not been scheduled on the Forward Plan despite it being an annual decision;
2. There was a shortfall of 400 places for EHCP requirements. There had not previously been sufficiency planning so this was now being picked up so that needs could be met without over supplying at a cost to BCC;
3. It was agreed to provide outside of the meeting the current number of existing specialist provision places;
4. The Director Finance reported that there would be a forecast trajectory for the next 5/10 years and the demand would be worked through. Provision would be created so that need is met within the Local Authority area where appropriate .
5. 200 pupils with EHCP's were in independent & maintained schools and 193 children were still waiting for an EHCP place and for these the development of alternative learning provision was being considered. A key strategy was for need to be identified earlier and appropriate measures put in place to prevent escalation of need where possible – early years was a key time for early intervention and prevention. There would also be support for families to support their child;
6. It was acknowledged that relationships had previously broken down but work was taking place to engage with schools and the Parent/Carers Forum and relationships are improving. Best practice from other LA's would be reviewed and the outcome of a consultation would be shared widely and come to Cabinet in early 2024 for a key decision. A project was underway regarding how schools worked with



parents and the learning would be shared in the future. A key, wide-reaching cultural change is required to achieve inclusivity across the system, the Council and stakeholders will work together to solve the issues and not just BCC;

7. A Councillor noted the positive things taking place but had no real sense that the service was turning a corner. If it was so easy to increase the number of places and reduce costs why had it not been done before and what were the implications if it did not work. He also could not get a sense of the contingent risk to BCC and financial impact on BCC and Council tax. He needed much greater reassurance;
8. The Director Finance responded that all the information was not found in one report. 5.2 showed the extrapolations for how bad it could get and the blue line showed the mitigations. The proposals that bridged the gap could be found in the Schools Forum reports;
9. Officers were confident in the plans and financials behind them though it was noted that area of EHCP could not be fixed and isolation from other dependent elements. The savings had been reviewed over the year and they continued to be reflected on and were considered to be realistic;
10. A Councillor reported that the report considered at the Schools Forum in September 23 was not in the public domain and she was taking the matter up with the MO. It was not known whether by law any decisions were required by the Cabinet member for Children's Services;
11. It was noted that there had been some delays in providing 288 additional special needs places due to the complexity of some of the projects;
12. The Director Finance reported that it was not possible to predetermine the outcome regarding the statutory override as there were lots of variables and assumptions. There would be a deficit even if all plans came to fruition and there was a positive trajectory and decisions had been based on that. It was not possible to know the position at the end of 2027 when the statutory override ended.

Resolved - That the progress made on the DSG Deficit Reduction Programme be noted.

18. Exclusion of Press and Public

That under s.100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) 3 (respectively) of Part 1 of schedule 12A of the Act.

19. DSG Deficit Reduction Programme.

The Committee was briefed on matters in an exempt session.

20 Date of Next Meeting

The next meeting is scheduled to be held on 29 January 2024 at 2pm.

The meeting ended at 5.10pm

CHAIR _____









