

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 22 May 2013 at the Council Chamber, Runcorn Town Hall

Present: Councillors A. Lowe (Chairman), M Lloyd Jones (Vice-Chairman), Fry, Lea, McDermott, Macmanus, N.Plumpton Walsh and G. Stockton

Apologies for Absence: Councillor Wainwright

Absence declared on Council business: None

Officers present: I. Leivesley, M. Murphy, E. Roberts-Smith and M. Simpson

Also in attendance: None

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

The Vice-Chair Councillor M. Lloyd Jones was in the Chair at the request of the Chair.

The Chair wished to place on record the congratulations of the Board, to the Procurement Team for receiving a best practice award from the Government for the work carried out helping small businesses secure contracts with the authority. Halton was named as one of 10 winners in the 'Best councils to do business with' category out of 67 entries.

BEB1 MINUTES

The Minutes of the meeting held on 27 February 2013 were taken as read and signed as a correct record.

BEB2 BUSINESS EFFICIENCY BOARD WORK PLAN 2013-14

The Board considered a report of the Strategic Director, Policy and Resources, which provided the indicative core workplan for the Board for 2013-14.

The workplan was appended to the report for information and outlined areas for consideration by the Board at each of its meetings over the financial year to help

ensure that it met its responsibilities.

Members were advised the workplan had been prepared taking into account a practical spread of the issues across the year and allowed for consideration of specific items that were determined by statutory or other prescribed timescales. The areas identified were those known and anticipated at the current time.

RESOLVED: That the workplan for 2013-14 be approved.

BEB3 STRATEGIC RISK REGISTER 2013/14

The Board received a report of the Strategic Director, Policy and Resources, which sought views on the Revised Risk Register for 2013/14.

It was reported that the Strategic Risk Register had been reviewed and updated as required and in accordance with the Risk Management Policy previously approved by this Board.

Members were advised of an additional risk of 'failing to effectively realise community expectations'. It was noted that Member's suggested this risk be added due to the potential reduction in services in light of budget cuts. The Board stressed the importance of informing and consulting members when reductions / changes were proposed.

The Board further suggested a section be added to the Risk Register detailing which activities had been completed to mitigate the risks.

RESOLVED: That the Board note the robustness and adequacy of the Council's risk management arrangements.

BEB4 BEB MEMBERS' SCRUTINY OF PROCUREMENT

The Board considered a report of the Strategic Director, Policy and Resources, which provided an update on the two EU procurement activities that Board Members scrutinised during 2012/13.

In September 2012 the Board selected two EU procurement activities to scrutinise which were the Residual Waste tender and the Bus Routes tender. Member's commented that it was really interesting to observe different parts of the process and the training provided by the procurement team was crucial in helping Members in their

role of scrutiny.

Members requested feedback from the Local Bus Tender which had been awarded. In response it was noted that 4 Lots had been awarded to 3 suppliers and the Lot for unknown Routes would be awarded through a mini competition process to all qualifying suppliers on the Framework.

The Board discussed the future scrutiny work they wished to be involved in and agreed that one topic group be formed comprising all Board Members to scrutinise future contracts. It was suggested the domiciliary care contract be the subject for the next scrutiny process as it was due in the near future. It was agreed that this be a matter for the topic group to decide.

RESOLVED: That the Board;

- 1) note the scrutiny activity taken place;
- 2) a single topic group be formed comprising the whole Board to consider further scrutiny activity.

Strategic Director
- Policy &
Resources

BEB5 EXTERNAL AUDIT LETTER TO THOSE CHARGED WITH GOVERNANCE

The Board received a report of the Strategic Director, Policy and Resources, which informed Members of the proposed responses to the annual letter from Grant Thornton as part of their year-end audit of accounts work.

It was reported that International Audit Standards required the Council's external auditors, Grant Thornton, to raise with those charged with governance (i.e. the Business Efficiency Board) matters that may affect the Council's financial statements and to document the Board's response.

Appended to the report for information were the proposed responses to a number of questions contained in a letter from Grant Thornton to the Chair of the Board. The Board approved the proposed responses.

RESOLVED: That the proposed responses appended to the report be approved.

BEB6 PLANNED EXTERNAL AUDIT FEE LETTER 2013/14

The Board considered a report of the Strategic Director, Policy and Resources, which informed Members of

the planned external audit fee for 2012/13.

It was reported that International Standards on Auditing (ISA) 260 required auditors to communicate to those charged with governance (i.e.) the Business Efficiency Board). One of the requirements was for the Auditor to set out the fees to be charged for the audit and the factors considered in setting those fees.

The Board considered the Audit Fee letter which was appended to the report and set out the scale of fees, scope of the audit fee, value for money conclusion, certification of grant claims and returns, billing schedule and the outline audit timetable.

It was further noted that at a previous meeting Members queried whether the additional audit fee of £45,694 for Mersey Gateway project had been finalised and reduced. It was reported that the final figure had not been provided yet, however once the information was received it would be circulated to Board Members.

RESOLVED: That the 2013/14 external audit fee and the scope and timing of the planned external audit work be noted.

BEB7 EXTERNAL AUDIT PLAN 2012/13

The Board received a report of the Strategic Director, Policy and Resources, which provided the 2012/13 Audit Plan prepared by the Council's external auditor, Grant Thornton.

It was reported that External Audit Plan for 2012/13 included the results of the interim work and contained details of the external audit fees for 2012/13.

It was further noted that the Plan was based upon Grant Thornton's risk-based approach to audit planning. The risks that had been considered as part of the opinion planning process were appended to the report for consideration.

Arising from discussion of the Audit Plan, Members sought clarification on the current position on the accounting treatment for the Mersey Gateway.

In respect of the review of information technology controls the Board asked if the work had been completed in April and what was the result. In response it was noted that

this information would be sought and circulated to Board Members when available.

RESOLVED: That the contents of the External Audit Plan for 2012/13 be noted.

BEB8 INTERNAL AUDIT ANNUAL REPORT 2012/13

The Board received a report of the Operational Director, Finance, which set out the Head of Internal Audit's annual opinion of the adequacy and effectiveness of the Council's control environment and the findings of the review of the effectiveness of the Council's internal audit. It was noted that the 'control environment' was the collective term used to describe the Council's risk management, control and governance process.

It was reported that the Accounts and Audit Regulations 2011 provided a requirement for local authorities to conduct a review of the effectiveness of its internal audit at least one a year. The review provided members with a basis for determining the extent to which reliance could be placed on the internal audit opinion.

Members were advised that the internal audit work completed during the 2012/13 financial year was carried out in accordance with the Internal Audit Plan which was approved by the Board in February 2012.

The report further set out the following:

- opinion on the Council's Control Environment;
- basis for the opinion; and
- review of the effectiveness of internal audit;

A summary of the audit reviews finalised during the year was appended to the report for information. It was reported that of the 49 audit reports finalised during the year:

- 23 received substantial assurance;
- 26 received adequate assurance; and
- No audits received limited assurance.

It was further noted that 11 'follow up' audits had been completed which were set out in appendix 2 of the report submitted for information.

The Board noted the excellent achievement with no the areas receiving 'limited' assurances and acknowledged the internal work carried out during the year provided

assurance that the Council's main financial systems were operating effectively.

RESOLVED: That the Board:-

- 1) note the Head of Internal Audit's opinion on the Council's control environment;
- 2) note the findings of the review of the effectiveness of internal audit; and
- 3) endorses the conclusion that the Council's internal audit arrangements are effective.

BEB9 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) Whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following item of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) Whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed that in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business in accordance with Section 100A(4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the

Local Government Act 1972.

(Councillors Fry, MacManus and G.Stockton declared a Disclosable Other Interest in the following item due to being Governors of a school)

BEB10 INTERNAL AUDIT PROGRESS REPORT

The Board considered a report of the Operational Director, Finance which provided a summary of internal audit work completed since the last progress report.

The report set out key issues and recommendations and results from the work undertaken following up the implementation of previous internal audit recommendations.

RESOLVED: That the Internal Audit work completed for the quarter be received.

Councillor A. Lowe wished to place on record his thanks to Councillor M. Lloyd Jones for chairing the meeting on his behalf.

Meeting ended at 7.25 p.m.