

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 25 February 2015 at the Civic Suite, Town Hall, Runcorn

Present: Councillors Joe Roberts (Chair), M. Lloyd Jones (Vice-Chairman), J. Bradshaw, Cole, A. Lowe, McDermott, MacManus, N. Plumpton Walsh and J. Stockton

Apologies for Absence: Councillors Fry and Lea

Absence declared on Council business: None

Officers present: E. Dawson, L. Derbyshire, I. Leivesley and M. Murphy

Also in attendance: Mr M Heap and Ms L Temple-Murray (Grant Thornton)

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

BEB29 MINUTES

The Minutes of the meeting held on 26 November 2014 were taken as read and signed as a correct record.

BEB30 CERTIFICATION LETTER 2013/14

The Board considered a report of the Operational Director, Finance, which contained information from the Council's external auditor, Grant Thornton, following the audit of grant claims and returns for the financial year 2013/14.

The Board was advised that the Council's external auditor was required to certify certain claims and returns submitted by the Council. The certification took place six to nine months after the claim period and represented a final but important part of the process to confirm the Council's entitlement to funding.

It was reported that Grant Thornton had certified three claims and returns for the 2013/14 financial year that related to expenditure of approximately £110m. The report summarised Grant Thornton's overall assessment of the

Council's management arrangements in respect of the certification process. It was noted that there were no significant issues arising from this work which needed to be brought to the attention of the Board.

The Board was further advised that the report provided details of the fees charged by Grant Thornton in respect of the certification work undertaken.

RESOLVED: That the report be noted.

BEB31 GRANT THORNTON REPORT - 'CONTINUING TO DELIVER VALUE TO HALTON BOROUGH COUNCIL'

The Board considered a report of the Strategic Director, Policy and Resources, which presented the report from the Council's external auditors Grant Thornton, titled "Continuing to Deliver Value to Halton Borough Council."

The Board welcomed Mr Mark Heap and Ms Liz Temple-Murray to the meeting, from Grant Thornton. Mr Heap indicated that he was looking forward to continuing and building on the excellent work that had been undertaken by Mr Thomas during the last seven years.

The report summarised the services that Grant Thornton had provided during the year. The Board congratulated all concerned for the excellent report and the quality of work that had been undertaken.

RESOLVED: That the report be noted.

BEB32 INTERNAL AUDIT PLAN - 2015/16

The Board considered a report of the Operational Director, Finance, which sought Members approval for the planned programme of internal audit work for 2015/16.

The Board was advised that a risk-based Audit Plan had been prepared in accordance with relevant professional guidance, i.e. the Public Sector Internal Audit Standards 2013 (PSIAS). The plan set out the proposed internal audit activity for 2015/16.

The Board was further advised that the plan was designed to enable internal audit to deliver an overall opinion on the Council's risk management, control and governance arrangements. In prioritising, the audit coverage account had therefore been taken off the Council's corporate objectives and the overall assurance framework.

It was reported that in preparing the plan consultation had taken place with key officers across the Council, external audit and the Chair of the Business Efficiency Board. The draft Audit Plan for 2015/16 was attached as Appendix 1 to the report and the document provided information on the role of internal audit and the factors that had been taken into account in developing the plan.

Furthermore, it was reported that a total of 1,231 days of audit work had been planned for 2015/16. This level of resource had been based on a forecast staffing establishment of 6.09 FTE staff and was considered sufficient to deliver a robust annual audit opinion. Members requested that information on the cost of this resource be circulated to Members of the Board. In addition, it was reported that performance against the Audit Plan would be kept under review throughout the year and quarterly progress reports would be presented to the Board for consideration.

The Board discussed the planned days regarding sustainable school travel and noted the reasons for this.

RESOLVED: That the proposed Internal Audit Plan for 2015/16 and comments raised be approved.

BEB33 EXTERNAL AUDIT - UPDATE REPORT

The Board considered a report of the Operational Director, Finance, which provided an update from Grant Thornton (External Auditors) regarding the following:-

- the progress made in delivering their responsibilities as the Council's external auditors; and
- a summary of emerging national issues and developments that may be relevant to the work of the Board.

Ms Liz Temple-Murray from Grant Thornton presented the report and various publications were circulated at the meeting.

At the end of the discussion the Board noted the update in respect of the following:-

- the 2014-15 Accounts Audit Plan;
- the interim accounts audit;

- the 2014-15 final accounts audit;
- the value for money conclusion;
- other areas of work – certification work under the Audit Commission Regime; and
- other activity undertaken in respect of claims and returns, tax and VAT.

The Board noted that the All Aboard - Local Government Review 2015 set out on Page 63 had been based on a national survey and reflected the different ways in which Council's operated the democratic process.

RESOLVED: That the report be noted.

BEB34 PROTECTING THE PUBLIC PURSE - FRAUD BRIEFING

The Board considered a report of the Operational Director, Finance, which gave Members a briefing on comparative information on council fraud detection levels based on the Audit Commission's annual detected fraud and corruption survey from 2013/14. It was reported that submission of the survey was a mandatory requirement under Section 48 of the Audit Commission Act 1998.

Grant Thornton, as the Council's external auditor, presented the report and provided confirmation that the submissions made fairly reflected their knowledge of the Council's fraud detection activities.

The report highlighted national fraud risks and requested that Members consider whether the Council's remaining counter-fraud resources and skill sets were adequate after its benefit fraud investigators had left to join the Single Fraud Investigation Service.

It was noted that there were no significant issues arising from the report which needed to be brought to the attention of the Board.

The Board noted the implications of Fraud Investigation Services transferring to the Department for Work and Pensions and the discussions taking place to address the associated risks.

The Board discussed the challenges of fraudulent Council tax discount claims and discussed options to address this issue.

RESOLVED: That the report and comments raised be noted.

Note: (Councillor M Lloyd Jones declared a Disclosable Other Interest in the following item of business as her grandson had a placement as a teacher at Spinney Avenue CE Primary School.)

BEB35 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.

BEB36 INTERNAL AUDIT PROGRESS REPORT

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

RESOLVED: That the progress made in regard to the implementation of previous internal audit recommendations be noted.

Meeting ended at 8.40 p.m.