

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 23 May 2012 at the Civic Suite, Town Hall, Runcorn

Present: Councillors A. Lowe (Chairman), M Lloyd Jones (Vice-Chairman), A.Cole, Fry, D. Lea, McDermott, Macmanus, N.Plumpton Walsh, Roberts and M. Ratcliffe

Apologies for Absence: Councillor Wainwright

Absence declared on Council business: None

Officers present: B. Dodd, I. Leivesley, M. Murphy and M. Simpson

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

BEB1 MINUTES

The Minutes of the meeting held on 29 February 2012 were taken as read and signed as a correct record, subject to it being noted that Councillor MacManus submitted apologies.

BEB2 BUSINESS EFFICIENCY BOARD - WORKPLAN 2012/13

The Board considered a report of the Strategic Director, Policy and Resources which provided the indicative core workplan for the Business Efficiency Board (BEB), for 2012/13.

It was reported that the powers and duties of the BEB were set out in the Constitution and the workplan outlined areas for consideration by the Board at each of its meetings over the financial year to help ensure that it met its responsibilities.

It was noted that the workplan had been prepared taking into account a practical spread of issues across the year allowing for specific items that were determined by statutory or other prescribed timescales.

Action

Members were advised that the areas identified in the workplan were those known and anticipated at the current time. It was further noted that it was possible that issues that arose may require additional reports to be added or the timing of reports be changed.

The workplan set out the following:

- Internal Audit;
- Financial Reporting;
- External Audit;
- Governance;
- Risk Management;
- Anti-Fraud & Corruption;
- Other Audit Committee matters;
- Procurement; and
- Efficiency.

Members discussed the appointment of Grant Thornton as the Council's auditors for the next five years and that it was expected that staff from the Audit Commission would be transferred under TUPE arrangements to Grant Thornton. It was further noted that as the inspection regime had ceased the fees had been reduced for next year by 40% as the Council was only being charged for the external audit of the Council.

RESOLVED: That the Business Efficiency Board considers and approves its workplan for 2012/13.

BEB3 CHANGES TO THE BOARD'S POWERS AND DUTIES

The Board received a report of the Strategic Director, Policy and Resources which set out the proposed arrangements to meet the Board's additional responsibility in relation to the Council's contractual arrangements.

It was reported that as a result of feedback from a Member's Seminar it was requested Members have greater involvement in procurement. As part of the annual review of the Council's Constitution it had been agreed by Council on 18 April 2012 that the following new responsibility be added to the Board's powers and duties, which were set out in the report for information.

It was agreed that a half day training day be organised to prepare Board Members for this task and to agree the details of this process.

RESOLVED: That

- 1) the report be noted; and
- 2) a training day be organised to prepare Members for scrutinising the procurement process.

Strategic Director
- Policy &
Resources

BEB4 EFFICIENCY PROGRAMME UPDATE

The Board considered a report of the Strategic Director, Policy and Resources which set out progress made to date with the Efficiency Programme.

It was reported that Wave 4 of the Efficiency Programme had commenced and new workstreams were now in progress.

The report detailed updates on various reviews of the Operational Fleet & Client Transport (Wave 2), Transactional / Non-Transactional: Process (Wave 2), Income and Charging (Wave 3), Contact Centre (Wave 3), Business Development and Regeneration (Wave 3), Development Services (Wave 3), Adult's and Children's Social Care and Commissioning (Wave 3), Community Services (Wave 3), Traded Services Workstream (Wave 3), Waste Management (Wave 3); Policy and Strategy, Performance and Improvement, Communications and Marketing (Wave 4) and Review of Child Protection (Children in Need Service) (Wave 4).

Arising from discussion of the report Members queried the review of the Invoice Payment Process and when it was to be implemented. In response it was noted that it was being piloted at the moment, with a view to being rolled out across the Council in the next month or two. The Board also queried why the Traded Services Workstream was reported as not progressing any further. In reply it was noted that the piece of work for Traded Services had been completed.

Members queried where the savings of £125,000 across the three areas listed on page 12 of the report came from. It was noted that this would be investigated and a response would be provided.

The Board wished to note on record their thanks to the Efficiency Programme Team.

RESOLVED: That the report and comments made be

noted.

BEB5 INTERNAL AUDIT ANNUAL REPORT - 2011/12

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 its effectiveness of its internal audit at least once each 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 the 2011/12 audit opinion was based on the 1,150 audit days which had been delivered during the year, which was 91% of the total days planned for the year. The shortfall in the number of days delivered was due to a staff vacancy.

It was reported that only one area audited in the year received a limited assurance opinion, 19 areas received substantial assurance opinions and 31 areas received adequate assurance opinions. In addition, a summary of the 20 'follow up' audits completed in 2011/12 was set out in the report for information.

It was further reported that in the opinion of the Head of Internal Audit, the Council continued to maintain an effective control environment and there were no outstanding significant control issues identified through the work of the Internal Audit that required disclosure in the Council's 2011/12 Annual Governance Statement.

The Board discussed the Council's duty to ensure schools were managed properly, however it was noted that Free Schools and Academies operated outside local authority control and had to follow financial management practices as advised by Government.

Members were informed of the process followed in reviewing the effectiveness of the Council's internal audit arrangements. This included advising members on the feedback obtained from questionnaires completed by

service managers at the end of each audit. This revealed that 80% of respondents stated that they were 'very satisfied' and 20% of respondents stated that they were satisfied.

The Board wished to note on record their thanks to the Internal Audit Team.

RESOLVED: That the Board:

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

BEB6 INTERNAL AUDIT PROGRESS REPORT - QUARTER 4 (2011/12)

The Board considered a report of the Operational Director, Finance, which set out a summary of internal audit work for the period January to March 2012.

The report set out key issues and recommendations arising from the audits completed, details of other work completed by Internal Audit in the quarter and the results of the work undertaken following the implementation of previous Internal Audit recommendations.

RESOLVED: That the internal audit work completed for quarter 4 be noted.

Meeting ended at 7.25 p.m.