

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 8 June 2016 at the Civic Suite, Town Hall, Runcorn

Present: Councillors M. Lloyd Jones (Chair), Joe Roberts (Vice-Chair), J. Bradshaw, C. Loftus, A. Lowe, McDermott, MacManus, J. Stockton and Wall

Apologies for Absence: Councillor N. Plumpton Walsh

Absence declared on Council business: None

Officers present: A. Scott, E. Dawson, M. Murphy and L. Cox

Also in attendance: Mark Heap, Grant Thornton (External Auditor)

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

BEB1 CHAIR'S ANNOUNCEMENT

The Chair welcomed all Members and Officers to the first meeting of the Board in the 2016/17 Municipal Year, and extended a welcome to Mark Heap, from Grant Thornton external auditors.

The Chair also announced that she wished to continue the established practice of providing training and development sessions for Members of the Board prior to the start of each of the meetings in the calendar. These sessions would commence at 5.00pm in the Civic Suite on 28 September 2016, 23 November 2016 and 1 February 2017, and as well as providing training prior to the approval of the Statement of Accounts at the September meeting, would also provide training on Procurement and Risk Management at the subsequent meetings.

BEB2 MINUTES

The Minutes of the meeting held on 24 February 2016 were taken as read and signed as a correct record.

BEB3 EXTERNAL AUDIT FEE - 2016/17

The Board considered a report of the Strategic Director, Community and Resources, which provided

Members with details of the scale of fees for the external audit work for 2016/17.

The Board was advised that the Local Audit Accountability Act 2014 provided a new framework for local public audit. As the Audit Commission ceased from March 2015, the secretary of State for Communities had delegated some statutory functions to Public Sector Audit Appointments Limited (PSAA) on a transitional basis.

The letter attached to the report, set out the details of the audit fee proposed by the PSAA along with the scope and timing of external audit work and the team that would be working on the audit.

RESOLVED: That the 2016/17 audit fee and the scope and timing of the planned external audit work be noted.

BEB4 EXTERNAL AUDIT PLAN 2015/16

The Board considered a report of the Strategic Director, Community and Resources, which sought approval of the Audit Plan proposed by Grant Thornton.

The Board was advised that the attached report set out details of the Grant Thornton's strategy and plan to deliver the 2015/16 audit of the Council's financial statements. It also provided details of their approach to the value for money conclusion.

RESOLVED: That the contents of the External Audit Plan for 2015/16 be noted.

BEB5 EXTERNAL AUDIT LETTER TO THOSE CHARGED WITH GOVERNANCE

The Board considered a report of the Strategic Director, Community and Resources, which provided Members with a proposed response to the annual letter to the Board from Grant Thornton, the Council's external auditors, regarding their year-end audit of accounts work.

The Board was advised that International Auditing 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.

The Board was further advised that Appendix 1 attached to the report, presented a proposed response to a number of questions contained in a letter from Grant Thornton to the Chair of the Board. Grant Thornton attended the meeting to discuss further questions with Board Members.

RESOLVED: That the proposed response to the Council's external auditors, shown in Appendix 1 attached to the report, be approved.

Strategic Director
- Community &
Resources

BEB6 PROCUREMENT STRATEGY 2016-19

The Board considered a report of the Strategic Director, Community and Resources, which sought approval of the Council's Procurement Strategy 2016/19 (the Strategy).

The Strategy, presented in Appendix 1 attached to the report, had been refreshed following the completion of the period of the previous Strategy, which covered 2013/16. It was noted that the new Strategy followed the format recommended by the Local Government Association's "National Procurement Strategy for Local Government in England 2014", which was underpinned by four key areas. These were:

- Making savings;
- Supporting Local Economies;
- Leadership; and
- Modernising Procurement.

The Strategy was structured around these four key areas and provided a position statement on each as at March 2016, together with the achievements made to date. It was reported that Halton had progressed rapidly in terms of ensuring that procurement was recognised as a strategic function, with the Council's approach achieving national recognition.

Halton had embraced the requirements of the Public Services (Social Value) Act 2012, and had regard to economic, social and environmental wellbeing in connection with public service contracts. In June 2015, Executive Board approved a Social Value Framework for Procurement, which was underpinned by a Charter and Policy. It was reported that this had been utilised in seventeen procurement exercises to date, which were detailed in Appendices 2 and 3.

RESOLVED: That the Council's Procurement Strategy 2016/19, as presented in Appendix 1 attached to the report, be approved.

BEB7 CORPORATE RISK REGISTER 2016/17

The Board considered a report of the Strategic Director, Community and Resources, on the review and update of the Corporate Risk Register 2016/17.

The Board was advised that the Council recognised its responsibility to manage both internal and external risks as a key component of good corporate governance. At Directorate level, arrangements were in place for the high-risk mitigation measures on the Directorate Risk Registers to be reviewed and updated at mid-year, in line with Directorate Business Plans. Progress was then reported to Management Team and the Policy and Performance Boards.

It was reported that the Risk Control Measures had been reviewed and updated in line with current changes within the Authority. The risks had been grouped in order of priority, as detailed in Appendix 1, attached to the report.

RESOLVED: That the Corporate Risk Register and comments raised be noted.

BEB8 DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16

The Board considered a report of the Strategic Director, Community and Resources, which sought approval of the draft Annual Governance Statement (AGS) for 2015/16.

The Board was advised that under the Accounts and Audit Regulations 2015, the Council must produce an AGS which must be approved by resolution of a Committee or Members of the authority as a whole. The AGS must also be approved in advance of the Council approving the statement of accounts.

The Council's Constitution delegated the responsibility to review and approve the AGS to the Business Efficiency Board. Once approved, the AGS would be signed by the Leader and Chief Executive and published on the Council's website.

The Board was further advised that the AGS was intended to identify any areas where the Council's

governance arrangements needed to be developed and to set out any action that was proposed to strengthen those arrangements.

The draft AGS for 2015/16 was attached to the report. It was noted that the document identified two significant governance challenges for the Council; Funding pressures and Liverpool City Region Combined Authority, as detailed in the report.

RESOLVED: That

- 1) the draft Annual Governance Statement be confirmed that it accurately reflects the corporate governance arrangements at the Council; and
- 2) the draft Annual Governance Statement be approved.

BEB9 INTERNAL AUDIT ANNUAL REPORT 2015/16

The Board considered a report of the Operational Director, Finance, which informed Members that the Public Sector Internal Audit Standards (PSIAS) required the Head of Internal Audit to deliver an annual audit opinion and report which could be used to inform the Annual Governance Statement.

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 once each year.

The Board noted information set out in the report relating to:-

- The Annual Opinion on the Council's framework of governance, risk management and control;
- A summary of work supporting the Annual Opinion;
- A statement on conformance with the Public Sector Internal Audit Standards;
- The Internal Audit Quality Assurance and Improvement Programme; and
- The Annual Review of the effectiveness of Internal Audit.

RESOLVED: That the Board note and approve the Internal Audit Annual report.

BEB10 FRAUD AND CORRUPTION UPDATE REPORT

The Board received a report of the Operational Director, Finance, which provided an update on the Council's anti-fraud and anti-corruption arrangements.

The update report, attached at Appendix 1, provided details of reported fraud and corruption from 2015/16, a summary of the results from the 2014/15 National Fraud Initiative and developments in the Council's counter fraud and corruption arrangements.

It was noted that the Board was responsible for reviewing the adequacy of the Council's arrangements to counter fraud and corruption, and as such the report formed one of the sources of assurance which supported the Council's Annual Governance Statement.

RESOLVED: That

- 1) the fraud and corruption update be received; and
- 2) the actions taken to counter fraud and corruption be endorsed.

BEB11 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.

(N.B. Councillor Martha Lloyd Jones and Councillor Chris Loftus declared a Disclosable Other Interest in the following item of business as they were both Governors at Beechwood Primary School)

BEB12 INTERNAL AUDIT PROGRESS REPORT

The Board considered a report of the Operational Director, Finance, which provided a progress report on the 2015/16 Internal Audit Plan and an update on internal audit activity since the last meeting of the Board.

RESOLVED: That

- 1) the update on progress against the 2015/16 Internal Audit Plan be noted; and
- 2) the completed Internal Audit Reports be noted.

Meeting ended at 7.57 p.m.