

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 24 July 2019 at the Civic Suite, Town Hall, Runcorn

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

Apologies for Absence: Councillors E. Cargill and N. Plumpton Walsh

Absence declared on Council business: None

Officers present: I. Leivesley, A. Dalecki, A. Scott and S. Baker

Also in attendance: Helen Stevenson and Mark Heap (External Auditors, Grant Thornton)

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

		<i>Action</i>
BEB1	MINUTES	
	The Minutes of the meeting held on 27 March 2019 were taken as read and signed as a correct record.	
BEB2	FRAUD AND CORRUPTION UPDATE REPORT	
	The Board considered a report of the Operational Director, Finance, which provided an update on the Council's anti-fraud and anti-corruption arrangements.	
	The Board was advised that the level of identified fraud in Halton remained relatively low compared to other authorities of a similar size and profile. The main areas of the Council's business thought to be susceptible to fraud and corruption were detailed in the report and included insurance claims; procurement; accounts; Council Tax discount/reduction schemes; business rates; adult social care financial assessments; direct payments; cash handling; electoral fraud; school admission application fraud; grant mechanisms to individuals and organisations; and blue badges and concessionary travel. Members were advised that the Local Government Transparency Code required the Council to publish data regarding its fraud arrangements, and this information was published on the Council's web	

site.

It was noted that the Council's Whistleblowing Policy allowed for employees, agency workers and contractors to raise concerns confidentially through a variety of channels. Three such complaints were received during 2018/19; these were detailed in the report with the outcomes alongside. In addition to this, the Council operated a confidential reporting system through which members of the public could submit concerns relating to fraud, misconduct or other issues. There had been a slight increase in the number of referrals in 2018/19, with a summary set out in the report. However, although there had been an increase, the number of referrals intended for the Department for Works and Pensions (DWP) had reduced by more than half, and this reduction was believed to be due to improvements which the Council had made to the online confidential reporting system.

It was reported that the Council was in the process of reviewing data matches from the 2018/19 National Fraud Initiative (NFI) exercise and the Business Rates pilot, operated by the Cabinet Office. Details of the areas to which data matches related, were set out in the report and it was noted that each match would be assessed and investigated if there was an indication that fraud had occurred.

A new electronic fraud management system had been introduced to aid in the investigation process and to ensure that fraud investigators remained compliant with the Police and Criminal Evidence Act. In April 2019, the Council commenced joint working with the DWP to jointly investigate frauds which involved DWP Benefits and Council Tax Relief. It was reported that since the new arrangement had commenced, four cases had been considered for joint working.

The Council had a comprehensive suite of linked policies relating to fraud. These policies, last considered and approved by the Board in November 2017, had been reviewed and some minor changes proposed. Each of these policies, attached to the report at Appendices A, B and C, were also contained in the Council's Constitution document.

RESOLVED: That

- 1) the report be noted; and
- 2) Council be recommended to endorse and adopt

Operational
Director - Finance

the proposed updates to the suite of anti-fraud related plans and policies.

(N.B. The following Councillors declared a Disclosable Other Interest in the following item of business for the reasons stated: Councillor John Stockton as a Governor of Castle View Primary School; Councillor Martha Lloyd Jones as a Governor of Brookvale Primary School)

BEB3 INTERNAL AUDIT ANNUAL REPORT 2018/19

The Board considered a report of the Divisional Manager, Audit, Procurement and Operational Finance, which summarised the work of Internal Audit during 2018/19, and presented an opinion on the effectiveness of the Council's overall risk management, control and governance procedures.

It was noted 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 support the Annual Governance Statement.

In February 2018, the Business Efficiency Board approved an internal audit plan for 2018/19 with some amendments agreed during the course of the year. The overall opinion was included in the Internal Audit Annual Report, attached as a separate document at Appendix 1. The Annual Report included details of the evidence base which supported the opinion in the form of summary details of the audit assignments and the 'follow-up' audit assignments completed in year.

RESOLVED: That the Board notes and approves the Internal Audit Annual Report 2018/19.

BEB4 DRAFT ANNUAL GOVERNANCE STATEMENT 2018/19

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which sought approval of the draft Annual Governance Statement (AGS) for 2018/19.

It was noted that the AGS, attached to the report at Appendix 1, provided an overview of the governance framework in place for 2018/19. A key aspect of the AGS was the identification of areas where the Council's governance arrangements would need to be developed.

The report detailed the process followed in producing

the AGS; this was noted as being the same as in the previous year, being led by a group of Officers that had key roles in the maintenance and development of the Council's governance framework. Once approved, the AGS would be signed off by the Council Leader and the Chief Executive.

Strategic Director
- Enterprise,
Community and
Resources

RESOLVED: That the revised version of the Annual Governance Statement 2018/19 be approved.

BEB5 ANNUAL REVIEW OF CORPORATE RISK REGISTER 2019/20

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on the updated Corporate Risk Register for 2018/19.

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 mid-year, in line with Directorate Business Plans. Progress was then reported to Management Team and 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 and as proposed by managers and stakeholders. The risks had been grouped in order of priority, as set out in the report. The review included the introduction of a higher scoring risk matrix and the priority had been given to risks around people.

RESOLVED: That the update of actions be noted.

BEB6 2018/19 STATEMENT OF ACCOUNTS POSITION STATEMENT

The Board received a report of the Operational Director, Finance, which provided a position statement on the Council's 2018/19 Statement of Accounts.

The Statement of Accounts set out the Council's financial performance for the year in terms of revenue and capital spending and presented the year-end financial position as reflected in the balance sheet.

It was reported that due to a technical accounting issue, the External Auditor would be unable to publish an Audit Certificate or Opinion by 31 July 2019. It was noted

that Council Officers were working with the External Auditor to reach agreement on the issue. Appendix 1, attached to the report, provided detail on the technical accounting issue, together with an update on audit work completed to date and detail on the remaining scope of the audit.

The Board was advised that it was planned that the final audited Statement of Accounts would be reported to the next meeting of the Board in September 2019.

RESOLVED: That the External Auditor's Position Statement Report, attached to the report at Appendix 1, be noted.

BEB7 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.

BEB8 INTERNAL AUDIT PROGRESS REPORT

The Board considered a report of the Divisional Manager, Audit, Procurement and Operational Finance, which provided Members with a summary of the internal audit work completed since the last progress report in March 2019. The report also highlighted matters relevant to the Board's responsibilities as the Council's Audit Committee.

It was noted that a total of 17 Internal Audit reports had been finalised since the last progress report, and this included audits from both 2018/19 and 2019/20 Audit Plans. An overall assurance opinion was provided for each audit engagement.

It was reported that work was well underway on the 2019/20 Audit Plan, with approximately 21.7% of the total planned days for the year being completed.

Work completed in Quarter 1 also included the annual audit undertaken for the Manchester Port Health Authority, which was reported directly to the Port Health Authority Board.

RESOLVED: That the update on progress against the 2019/20 Internal Audit Plan be received.

Meeting ended at 7.50 p.m.