

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 27 September 2017 at the Civic Suite, Town Hall, Runcorn

Present: Councillors M. Lloyd Jones (Chair), Joe Roberts (Vice-Chair), C. Loftus, MacManus, McDermott, Philbin, N. Plumpton Walsh and Wall

Apologies for Absence: Councillors J. Bradshaw and Cole

Absence declared on Council business: Councillor J. Stockton

Officers present: E. Dawson, I. Leivesley, M. Murphy, A. Scott, M. Guest and S. Baker

Also in attendance: Mark Heap and Georgia Jones, Grant Thornton (External Auditors) for all except Minute BEB 16

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

	<i>Action</i>
BEB12 MINUTES	
The Minutes of the meeting held on 7 June 2017 were taken as read and signed as a correct record.	
BEB13 DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17	
The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which sought approval of the draft Annual Governance Statement (AGS) for 2016/17.	
The Board was reminded that at its meeting on 7 June 2017, it had considered the draft AGS and resolved that it accurately reflected the Council's governance arrangements. In addition, the Board also resolved to include an additional significant governance issue related to the maintenance of a robust IT governance framework.	
It was noted that the AGS, attached at Appendix 1, had been updated to include the additional governance issue requested by the Board, and that no other amendments had been made to the version presented in June.	

RESOLVED: That the revised version of the Annual Governance Statement for 2016/17 be approved.

Strategic Director
Enterprise,
Community and
Resources

(N.B. The following item of business (BEB 14) was considered by the Board prior to the business in item BEB13).

BEB14 2016/17 STATEMENT OF ACCOUNTS, AUDIT FINDINGS REPORT AND LETTER OF REPRESENTATION

The Board considered a report of the Operational Director, Finance, which sought approval for the Council's 2016/17 Statement of Accounts (the latest version of which was enclosed with the Agenda), and the report of the Audit Findings of the External Auditor (Grant Thornton) on the 2016/17 financial statements. The report also sought approval of the Council's Letter of Representation.

It was reported that the Statement of Accounts set out the Council's financial performance for the year in terms of revenue and capital spending and also presented the year-end financial position as reflected in the balance sheet. The key elements were detailed in the report.

It was noted that in overall net terms the Council reported an overspend of £0.559m on the 2016/17 revenue budget. Capital expenditure was £84.8m compared with planned expenditure of £122.0m.

The External Auditor presented the Audit Findings report which summarised the findings from 2016/17 external audit. Section 3 of the report also presented the External Auditor's findings on the Value for Money (VFM) conclusion. It was noted that the overall conclusion was that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

The Board wished to place on record their thanks to the Operational Director, Finance and the Finance Team for their work in the preparation of the accounts and to Grant Thornton for their work on the audit.

RESOLVED: That

- 1) the draft Letter of Representation in Appendix 1 be approved and any subsequent additions or amendments by the Operational Director, Finance, in liaison with the Chair of the Business Efficiency Board;

Operational
Director - Finance

- 2) the External Auditor's draft 2016/17 Audit Findings report in Appendix 2 be received and any subsequent additions or amendments be approved by the Operational Director, Finance, in liaison with the Chair of the Business Efficiency Board; and
- 3) the Council's draft 2016/17 Statement of Accounts in Appendix 3 be approved and any subsequent additions or amendments be approved by the Operational Director, Finance, in liaison with the Chair of the Business Efficiency Board.

BEB15 PROCUREMENT - UPDATE REPORT

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which provided Members with an update on delivery of the Council's Procurement Strategy 2016/19 (the Strategy).

The report set out details of recent developments in the Council's procurement function and associated activities, since the last update report in November 2016. It was reported that the Strategy followed the format commended by the Local Government Association's "National Procurement Strategy for Local Government in England" document, and was based around four key themes:-

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

The Board was advised that significant progress had been made in improving the Council's procurement practice since the Strategy had been developed, with many elements implemented fully integrated as part of standard procurement processes. However, there were some immediate priorities for the procurement function, such as the continuation of support to client departments, collaborative work with Liverpool City Region partners and working with colleagues in Purchase to Pay to promote and develop the Supplier Incentive Programme.

The Board noted that delivery of the Strategy

continued to benefit the local economy and provided opportunities for a wider range of potential suppliers such as local companies and small to medium enterprises.

RESOLVED: That progress achieved in delivering the Council's Procurement Strategy 2016/19 be noted.

(N.B. Mark Heap and Georgia Jones (External Auditors) left the room during consideration of the following item of business)

BEB16 APPOINTMENT OF THE EXTERNAL AUDITOR

The Board considered a report of the Operational Director, Finance, which outlined the results of the procurement process with regard to the appointment of the Council's external auditors.

It was reported that transitional arrangements for the Council's external audit would expire at the end of the 2017/18 accounts audit. The Council had decided to opt-in to a sector-led procurement of external auditors, which was undertaken by the independent Public Sector Audit Appointments Limited (PSAA). It was noted that following the procurement exercise, the PSAA proposed to award the Council's current external auditor, Grant Thornton, the contract for the Council's external audit, commencing on 1 April 2018 for five years. The award of the contract would be confirmed by the PSAA Board on 14 December 2017.

RESOLVED: That the proposed appointment of Grant Thornton (UK) LLP as the Council's external auditors for five years commencing 1 April 2018, be noted.

Operational
Director - Finance

BEB17 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 Joe Roberts declared a Disclosable Other Interest in the following item of business as he was a Governor of Ditton Primary School)

BEB18 INTERNAL AUDIT PROGRESS REPORT

The Board considered a report of the Operational Director, Finance, which provided Members with a summary of internal audit work completed since the last progress report in June 2017. The report also provided details of progress against the 2016/17 Internal Audit Plan.

It was noted that a total of thirteen Internal Audit reports had been finalised since the last progress report. An overall assurance opinion was provided for each audit engagement. It was reported that there had been two unplanned pieces of audit work so far, although this had not had a significant impact on planned work and the audit team remained on course to substantially complete the programme of planned audits by year-end.

It was reported that the Council's internal audit arrangements were subject to a five-yearly external review to assess compliance against the Public Sector Internal Audit Standards. A peer review had been undertaken on site during September 2017, and the results would be reported to the next available meeting of the Board.

RESOLVED: That the update on progress against the 2017/18 Internal Audit Plan be received.

Meeting ended at 7.30 p.m.

DRAFT