

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 25 July 2018 at the Civic Suite, Town Hall, Runcorn

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

Apologies for Absence: Councillors N. Plumpton Walsh

Absence declared on Council business: Councillor

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

Also in attendance:

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

BEB1 CHAIR'S ANNOUNCEMENTS

The Chair welcomed Georgia Jones and Mark Heap from the External Auditors – Grant Thornton - to the meeting.

The Chair also welcomed Councillor Andrea Wall as the newly appointed Vice Chair for 2018/19; thanked Councillor Joe Roberts for his previous service as Vice Chair of the Board; welcomed Councillor Alan Lowe back to the Board following his Mayoral Year; and welcomed newly appointed Members Councillors Ellen Cargill and Marjorie Bradshaw.

BEB2 MINUTES

The Minutes of the meeting held on 7 February 2018 were taken as read and signed as a correct record.

BEB3 EXTERNAL AUDIT FEE – 2018/19

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which provided Members with details of the scale of fees for the external audit work for 2018/19.

The Board was advised that the Local Audit Accountability Act 2014 provided a new framework for local public audit following the closure of the Audit Commission. As a result, the Council opted-in to a procurement arrangement undertaken by Public Sector Audit Appointments Limited (PSAA), from which Grant Thornton were appointed as the Council's external auditors for five years commencing 1 April 2018. It was noted that the PSAA would now oversee the audit contracts and their responsibilities included the setting of fees and the monitoring of the quality of the auditors' work.

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 from Grant Thornton that would be working on the audit. It was confirmed at the meeting that the certification fee for the Housing Benefit Subsidy claim for 2018/19 would be £8,500.

RESOLVED: That the 2018/19 audit fee and the scope and timing of the planned external audit work be noted.

Strategic Director
- Enterprise,
Community and
Resources

BEB4 2017/18 STATEMENT OF ACCOUNTS, AUDIT FINDINGS REPORT AND LETTER OF REPRESENTATION

The Board considered a report of the Operational Director, Finance, which sought confirmation of the Council's 2017/18 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 2017/18 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 £1.026m on the 2017/18 revenue budget. Capital expenditure was £114.7m, which was 99.4% of the total capital programme allocation. It was further noted that School Balances at 31 March 2018 totalled £3.8m, with £0.4m of unspent schools related funding held centrally to

be carried forward into 2018/19.

The External Auditor presented the Audit Findings report which summarised the findings from the 2017/18 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 Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

RESOLVED: That

- 1) the draft Letter of Representation in Appendix 1 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;
- 2) the External Auditor's draft 2017/18 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 2017/18 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.

BEB5 DRAFT ANNUAL GOVERNANCE STATEMENT 2017/18

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which sought approval of the draft Annual Governance Statement (AGS) for 2017/18.

It was noted that the AGS, attached at Appendix 1, provided an overview of the governance framework in place for 2017/18. 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 Chief Executive.

RESOLVED: That the revised version of the Annual Governance Statement 2017/18 be approved.

Strategic Director
- Enterprise,
Community and
Resources

(N.B. Councillor John Stockton declared a Disclosable Other Interest in the following item of business as he was a Governor of St Martin's Primary School)

BEB6 INTERNAL AUDIT ANNUAL REPORT - 2017/18

The Board considered a report of the Divisional Manager, Audit, Procurement and Operational Finance, which summarised the work of Internal Audit during 2017/18 and presented an opinion on the effectiveness of the Council's overall risk management, control and governance processes.

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 inform the Annual Governance Statement. There was a requirement for the Internal Audit Annual Report to provide details of the internal audit Quality Assurance and Improvement Programme (QAIP). The purpose of QAIP was to enable an evaluation of the internal audit activity's conformance with professional standards and an evaluation of whether internal auditors applied the Code of Ethics. It was reported that the results of the QAIP provided assurance that internal audit activity had been undertaken in 2017/18, in accordance with the relevant professional standards.

RESOLVED: That the Board notes and approves the Internal Audit Annual Report 2017/18.

BEB7 CORPORATE RISK REGISTER 2018/19

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on the updated Corporate Risk Register for 2017/18.

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 viewed 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 internal stakeholders. The risks had been grouped in order of priority, as set out in the report. It was noted that the risks had been reprioritised so that people (community and staff) took priority.

RESOLVED: That

- 1) the progress of actions and comments raised be noted; and
- 2) the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements be noted.

Strategic Director
- Enterprise,
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BEB8 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.

BEB9 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 internal audit work completed since the last progress report in February 2018. The report also highlighted matters relevant to the Board's responsibilities as the Council's Audit Committee.

It was noted that a total of 22 Internal Audit reports had been finalised since the last progress report, and this figure included audits from both the 2017/18 and 2018/19 Audit Plans. An overall assurance opinion was provided for each audit engagement. It was reported that work was well underway on the 2018/19 Audit Plan, with approximately 24% of the total planned days for the year being completed.

There had been two changes to the work planned for the year and details of these and the reasons were set out in the report for Members' information.

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 2018/19 Internal Audit Plan be received.

Meeting ended at 8.00 p.m.