

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 7 February 2018 at the Civic Suite, Town Hall, Runcorn

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

Apologies for Absence: Councillors Philbin, N. Plumpton Walsh and Wall

Absence declared on Council business: None

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

Also in attendance: G.Jones and M.Heap, Grant Thornton, External Auditors

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

BEB25 MINUTES

The Minutes of the meeting held on 22 November 2017 were taken as read and signed as a correct record.

BEB26 EXTERNAL AUDIT UPDATE REPORT

The Board received a report of the Strategic Director, Enterprise, Community and Resources, which provided an update from Grant Thornton (External Auditors) regarding:

- Progress made in delivering their responsibilities as the Council's External Auditors; and
- A summary of emerging national issues and developments that could be relevant to the work of the Board.

Georgia Jones, Audit Manager and Mark Heap, Engagement Lead from Grant Thornton, attended the meeting to present the report and then dealt with Members' questions.

The requirements and preparation associated with implementation of the new General Data Protection Regulation were considered. It was agreed that a briefing note would be prepared for all Members which explained

what the legislation was for, how the Council was preparing for its introduction in May 2018 and the Council's ability to demonstrate compliance and governance.

Strategic Director
– Enterprise,
Community and
Resources

RESOLVED: That the report be noted.

BEB27 EXTERNAL AUDIT PLAN - 2017/18 YEAR-END

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

The Board was advised that the report set out details of Grant Thornton's strategy and plan to deliver the 2017/18 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 2017/18 be noted.

BEB28 APPOINTMENT OF THE EXTERNAL AUDITOR

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which confirmed the appointment of the Council's External Auditor.

The Board was advised that, following the procurement process undertaken by Public Sector Audit Appointments Limited (PSAA), Grant Thornton had been awarded the contract for the Council's external audit. This was subject to a consultation period as previously reported to the Board.

It was reported that the consultation period had ended and that on 14 December 2017 the PSAA Board confirmed the appointment for a period of five years commencing 1 April 2018.

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

BEB29 INTERNAL AUDIT PEER REVIEW

The Board considered a report of the Divisional Manager, Audit, Procurement and Operational Finance, which informed Members of the outcome of the recent Peer Review.

The Board was advised that it was a requirement of the Public Sector Internal Audit Standards (PSIAS) that an external assessment of the Council's internal audit arrangements be carried out every five years. To fulfil this requirement, an independent peer review was conducted in September 2017 by senior Internal Audit representatives from other North West authorities.

The approach taken, findings and agreed actions from the peer review were set out in the report, and it was noted that the conclusion was that the Council's internal audit arrangements did conform to the PSIAS. A small number of actions were agreed to further develop conformance with the PSIAS, detailed at Appendix 3. It was reported that, during the peer review, four additional recommendations were agreed, which were considered contributory to the overall effectiveness and efficiency of the internal audit service. These were detailed at Appendix 4.

RESOLVED: That the contents of the attached peer review report, which confirms that the Council conforms to the Public Sector Internal Audit Standards, be noted.

BEB30 INTERNAL AUDIT PLAN 2018-19

The Board considered a report of the Divisional Manager, Audit, Procurement and Operational Finance, which sought approval for the planned programme of internal audit work for 2018/19.

A risk based Audit Plan had been prepared, designed to enable internal audit to deliver an overall opinion on the Council's risk management and control and governance arrangements.

A copy of the draft Audit Plan for 2018/19 was attached as an appendix to the report and provided information on the role of internal audit and the factors taken into account in developing the plan. It was noted that the plan also incorporated a number of reviews originally included in the 2017/18 Audit Plan that had not been completed during the year, due to capacity issues.

It was reported that the Public Sector Internal Audit Standards required that the internal audit service was delivered and developed in accordance with the internal audit charter. The Council had formally agreed that section 6.2 of Finance Standing Orders constituted the Council's internal audit charter. However, it was further noted that the recent peer review recommended that the charter should be

updated, as detailed in the report. The updated version was attached to the report and would be included as part of the current review of the Council's Constitution.

RESOLVED: That

- 1) the Board approves the proposed Internal Audit Plan for 2018/19; and
- 2) the updated Internal Audit Charter be approved.

Divisional
Manager, Audit,
Procurement and
Operational
Finance

BEB31 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 John Stockton declared a Disclosable Other Interest in the following item of business as he was a Governor of Murdishaw West Primary School)

BEB32 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 November 2017. The report also provided details of progress against the 2017/18 Internal Audit Plan.

It was noted that a total of ten 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 at the end of the third quarter, 62.4% of the total planned audit days for the year had been completed. The full number of audit days would not be delivered by year end, with the remaining planned work for the year being prioritised so as to support a robust annual internal audit opinion on the Council's governance, risk management and control framework.

The Board was advised that some of the lower priority reviews from the current Audit Plan would be proposed for inclusion in the draft 2018/19 Audit Plan. It was noted that the restructure of the Finance Department in July 2017 had an impact on the planned audit work for the current year.

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

Meeting ended at 7.05 p.m.