

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 29 February 2012 at the Civic Suite, Town Hall, Runcorn

Present: Councillors M Lloyd Jones (Vice-Chairman), Balmer, Browne, Howard, A. Lowe, McDermott, Philbin, Roberts and Rowe

Apologies for Absence: Councillors Leadbetter

Absence declared on Council business: None

Officers present: T. Dean, B. Dodd, I. Leivesley, M. Murphy, M. Simpson and C. Williams

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

BEB22 MINUTES

The Minutes of the meeting held on 9 November 2011 were taken as read and signed as a correct record.

BEB23 ANNUAL REPORT ON GRANTS

The Board considered a report of Audit Commission on its audit of the Council's 2010/11 grant claims. The report detailed the Commission's findings on seven grant claims.

The Board was advised of the main conclusions of the report and were advised that the Audit Commission was able to fully certify all seven of the Council's claims and returns and no issues had been identified in relation to the control environment for claims and returns that required reporting to the grant paying departments.

It was further noted that across all claims the Audit Commission received excellent support and cooperation from Council officers. The Council's 2010/11 grant claims were prepared to a very high standard.

RESOLVED: That the Audit Commission's report presented at Appendix 1 be received.

BEB24 INTERNAL AUDIT PLAN FOR 2012/13

The Board considered a report of the Operational Director, Finance which provided details of the proposed Internal Audit Plan for 2012/13. The Plan outlined the likely programme of work to be completed by the Internal Audit during the year.

It was reported that the Code of Practice for Internal Audit in Local Government required that the annual Audit Plan was considered and approved by the Council's Audit Committee.

The report outlined the likely programme for the year ahead and how the Council's internal audit resources would be utilised during the year. Members were advised that the plan was based on a resource input of 6.52 FTE auditors and comprised 1,239 planned audit days.

It was further noted that a risk based approach had been adopted to prioritise coverage as audit resources were not sufficient to provide assurance over all areas. The chosen areas were set out in the report. It was noted that more work would be carried out within schools over the next year and funding had been secured from the schools forum to do so.

Members were advised that if there were any minor changes to be made during the year to the Plan, the Operational Director – Finance would make the necessary amendments. However any significant changes would be brought to the Board for consideration.

Arising from discussion of the report Members discussed working for Academies, whether they bought back services from the Council and the need for Academy schools to appoint an external auditor.

The Board wished to place on record its thanks to the Divisional Manager, Audit and Operational Finance and the Audit Team for the excellent work they carry out.

RESOLVED: That the proposed Internal Audit Plan for 2012/13 be approved.

Operational
Director - Finance

BEB25 2011/12 EXTERNAL AUDIT PLAN

The Board received the Audit Commission's 2011/12 Audit Plan. The plan was based on the Audit Commission's risk-based approach to audit planning.

It was reported that the audit risks included in the plan had been identified through a variety of audit processes. Additional risks had been considered that were relevant to the audit of the accounting statements and were listed as follows:

- Mersey Gateway Project;
- financial pressures;
- heritage assets;
- valuation of property, plant and equipment;
- accounting treatment of schools; and
- upgrade to the general ledger system (Agresso).

The report further set out the audit testing strategy and the planned approach to the value for money conclusion. Appendices to the report detailed the key milestones and deadlines, audit independence quality and objectivity requirements and the audit fee.

RESOLVED: That the 2011/12 Audit Plan be approved.

BEB26 AUDIT COMMITTEE UPDATE

The Board received a report from the Audit Commission which set out its progress in delivering the Council's 2011/12 audit. The report also highlighted a number of current national issues and publications for Members' information.

The report set out external audit's progress on their financial statements and value for money conclusion work. Other issues highlighted for information included the Audit Commission's national report on the 2010/11 accounts, 2011/12 final account workshops, managing workforce costs, joining up health and social care and CIPFA's prudential code for Capital Finance.

Members were further advised of the Government response to consultation, the future of local public audit, an update on the externalisation of the Audit Practice, fire and rescue national framework and local government finance Bill.

Arising from discussion of the report Members considered the proposed new audit committee arrangements and the effect they would have on the Business Efficiency Board. In response it was noted that the guidance had not been issued as yet from Government, however the latest indication was that the original proposal to include independent audit appointment panel with a majority of independent members be established to advise audit committees on the appointment of auditors. Once more detail had been received on this matter Board Members would be advised.

The Board wished to place on record its thanks to Collette Williams and Mike Thomas for their assistance and work carried out over the year, and in previous years.

RESOLVED: That the Audit Committee Update be received.

BEB27 RISK MANAGEMENT

The Board received a report of the Strategic Director, Policy and Resources which sought Member's views on the effectiveness of the Council's Risk Management Policy and its Strategic Risk Register which had been subject to review.

The report set out the purpose of the Risk Management Policy and the Strategic Risk Register as maximising opportunities and minimizing risk and the main corporate risks which had been identified and grouped in order of priority.

It was noted that the Risk Register was reviewed every six months and would be brought back to the Board bi-annually.

Members discussed the reduction in personnel as a result of efficiency savings and the effect this could have on other members of staff in terms of prioritising workloads and managing risks.

Members requested that a training session be arranged to provide them with the skills to be able to evaluate the robustness of the Policy.

RESOLVED: That

- 1) the Policy and Register be noted; and
- 2) a training session be organised to provide Members with the skills to be able to evaluate the robustness of

Strategic Director
- Policy &
Resources

the Policy.

BEB28 PART II

**SCHEDULE 12A OF THE LOCAL GOVERNMENT
ACT 1972 AND THE LOCAL GOVERNMENT
(ACCESS TO INFORMATION) ACT 1985**

In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is RECOMMENDED that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

BEB29 INTERNAL AUDIT PROGRESS REPORT - QUARTER 3
(2011/12)

The Board considered a report of the Operational Director, Finance which provided a summary of internal audit work carried out for the period October to December 2011.

The report set out key issues and recommendations arising from the audits, details of other work completed by Internal Audit in the Quarter and the results of the work undertaken following the implementation of previous Internal Audit recommendations. The Board considered the progress made against the Audit Plan and executive summaries of reports issued during Quarter 3.

RESOLVED: That the Internal Audit work completed for Quarter 3 be noted.

Meeting ended at 7.20 p.m.