

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 27 February 2013 at the Civic Suite, Town Hall, Runcorn

Present: Councillors A. Lowe (Chairman), M Lloyd Jones (Vice-Chairman), Cole, Fry, Lea, McDermott, Macmanus, N.Plumpton Walsh and Ratcliffe

Apologies for Absence: Councillors Roberts and Wainwright

Absence declared on Council business: None

Officers present: E. Dawson, M. Murphy and M. Simpson

Also in attendance: Colette Williams and Mike Thomas from Grant Thornton

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

BEB21 MINUTES

The Minutes of the meeting held on 14 November 2012 were taken as read and signed as a correct record.

BEB22 INTERNAL AUDIT PLAN 2013/14

The Board received a report of the Strategic Director, Policy and Resources, which provided details of the proposed Internal Audit Plan for 2013/14. The Audit Plan outlined the likely programme of internal audit work for the year.

It was reported that the Audit Plan was designed to provide sufficient coverage across the organisation to enable the Head of Internal Audit to deliver an overall opinion on the Council's risk management and overall assurance framework.

The Plan for 2013/14 was appended to the report for information and provided details of how the Council's internal audit resources were to be utilised during the year.

Members were advised that a total of 1,086 days of audit work was planned based on a forecast staffing resource of 6.5FTE staff. Planned coverage was reduced slightly from 2012/13 to take account of a maternity leave absence.

It was further reported that as resources were limited, a risk-based approach was adopted to prioritise internal audit coverage and details of what was taken into account when compiling the programme was set out in the report for information.

Arising from discussion of the report Members discussed provision of audit services to other bodies such as the Manchester Port Health Authority, the statutory provision to provide library services, the use of volunteers and possible challenges around the Mersey Gateway procurement. It was noted that the Audit Team were planning a piece of work around the Mersey Gateway procurement process. It was further noted that delays would be likely should there be any challenges to the tendering process.

The following questions were raised:

- In respect of “Internal Disciplinary Process” within the Audit Plan, was the reason for this that there had been an increase, and who was the Council using to outsource investigations?
- In relation to credit for early payment, how many of our creditors had discussed this with us and how many were prepared to pay promptly to gain a percentage discount?
- Why was the budgetary control review not completed by 2012/13?

The following answers were provided:

- There hadn't been an increase in internal disciplinary investigations but there had been a number of protracted investigations recently that had involved members of staff being suspended for extended periods. In addition capacity within the Council was stretched which made it difficult for Senior Officers to take on the role of Investigating Officer. A recent investigation was outsourced to Stobarts so it could be useful to examine how that fared in comparison to the usual in house process;
- The Early Payment Discount Scheme was still in development. ICT services were working on the programming required within Agresso. Until that was complete the Council would not be contacting

suppliers about the scheme. It was noted that Oldham MBC had introduced a similar scheme last year and over 100 suppliers had signed up;

- This review was scheduled to be started in March 2013. It was likely to be reported to either the next BEB or the meeting after that.

RESOLVED: That the Board approve the proposed Internal Audit Plan for 2013/14

BEB23 EXTERNAL AUDIT FEE LETTER 2012/13

The Board received a report of the Strategic Director, Policy and Resources, which informed Members of the planned Audit Fee for 2012/13. Grant Thornton had been appointed by the Audit Commission as external auditor to the Council for the next five years.

Members were advised that it was a requirement for auditors to communicate with those charged with governance (i.e. the Business Efficiency Board) and one of the requirements was for the Auditor to set out the fees to be charged for the audit and the factors considered in setting those fees.

The Board considered the Audit Fee letter which was appended to the report for information and set out the scale of fees, scope of the audit fee, value for money conditions, certification of grant claims and returns, billing schedule and the outline audit timetable.

It was reported that for 2012/13 the Commission had independently set the scale fee for all bodies. The Council's scale fee for 2012/13 was £139,322, which was a reduction of 40% when compared to the audit scale fee of £232,204 for 2011/12.

Members queried what would be provided considering the fee had been reduced by 40%. Mike Thomas from Grant Thornton outlined in detail what services were provided.

RESOLVED: That the 2012/13 Audit Fee and scope and timing of the planned external audit work be noted.

BEB24 BUSINESS EFFICIENCY BOARD UPDATE REPORT

The Board considered a report of the Operational Director, Finance, which provided updates on the progress

Grant Thornton made in delivering their responsibilities as the Council's external auditors, a summary of national issues and developments that could be relevant to Halton as a Unitary Council and set out a number of challenge questions in respect of the emerging issues which the Board may wish to consider.

The report set out progress at 12 February 2013 and emerging issues and developments. It was noted that the most significant value for money risk was the Mersey Gateway project. A project brief had been drafted outlining the work required to be undertaken on Mersey Gateway to support the 2012/13 Value for Money conclusion. Members were advised that the fee for the work was £45,694 which was not included in the scale fee. The Board queried this amount and in response it was noted that it would be explored. It was reported that a large portion of the fee would be for consultants required for the project.

The Board discussed the likelihood of involvement in equal pay schemes in light of the recent supreme court rulings at Birmingham City Council. In response it was noted that a lot of the inequalities were removed after the Job Evaluation process took place therefore the effect had been minimised.

RESOLVED: That the report be noted.

BEB25 GRANT THORNTON 2011/12 ANNUAL CLAIMS AND RETURNS

The Board received a report of the Strategic Director, Policy and Resources which provided the Audit Commission's report following the audit of 2011/12 grant claims and returns.

Members were advised that the report was approved at the November meeting, however it was being re-submitted in the format of Grant Thornton, for information.

RESOLVED: That the report from Grant Thornton presented at Appendix 1 be approved.

BEB26 EFFICIENCY PROGRAMME UPDATE

The Board considered a report of the Strategic Director, Policy and Resources which informed Members of progress made to date with the Efficiency Programme.

The report set out progress to date of current

workstreams as follows:

- review of Operational Fleet & Client Transport (Wave 2);
- review of Income & Charging (Wave 3);
- review of the Contact Centre (Wave 3);
- review of Waste Management (Wave 3);
- review of Policy & Strategy, Performance & Improvement and Communications & Marketing (Wave 4);
- review of Child Protection (Children in Need Service) (Wave 4);
- review of Employment, Learning & Skills (Wave 4); and
- review of Intermediate Care (Adult Social Care) (Wave 4).

Members discussed the savings made in the Contact Centre and when the evaluation of the service would be carried out. In response it was noted that an answer would be circulated to Members.

RESOLVED: That the contents of the report be noted.

BEB27 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, member 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 define in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

(NB Councillor Martha Lloyd Jones declared a Disclosable Other Interest in the following item due to being a Governor of a school)

BEB28 INTERNAL AUDIT PROGRESS REPORT - QUARTER 3

The Board considered a report of the Operational Director, Finance which provided a summary of internal audit completed since the last progress report.

The report set out key issues and recommendations and results from the work undertaken following the implementation of previous internal audit recommendations.

RESOLVED: That the Internal Audit progress report be received.

Arising from discussion of scrutiny topics the Chair read out a short update on the position of the Waste and Bus Routes Contract.

Meeting ended at 7.40 p.m.