

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Thursday, 26 June 2008 in the Civic Suite, Town Hall, Runcorn

Present: Councillors Leadbetter (Chairman), Lloyd Jones (Vice-Chairman), Jones, A. Lowe, Murray, Swift and Worrall

Apologies for Absence: Councillors Higginson, Osborne and Philbin

Absence declared on Council business: None

Officers present: I. Leivesley, E. Dawson, B. Dodd and M. Simpson

Also in attendance: Collette Williams

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

BEB4 ANNUAL GOVERNANCE STATEMENT 2007/8

Action

The Board considered a report of the Strategic Director – Corporate and Policy, which outlined the approach taken to produce the Council's 2007/08 Annual Governance Statement, which was presented for review and approval.

It was reported that the Accounts and Audit (Amendment) Regulations 2006 required Councils to conduct a review at least once a year to the effectiveness of its system of internal control and to publish a statement on internal control each year with the authority's financial statement. The review is intended to provide assurance the Council conducts its business in accordance with the principles of good governance.

It was advised that CIPFA and SOLACE had advised that it was proper practice to publish this statement as an Annual Governance Statement (AGS) in a prescribed format.

It was reported that the AGS should be approved by the end of June 2008 and should be up to date at the time of publication. The best practice framework provided guidance

on what the AGS should contain which was detailed in the report.

It was further reported that the production of the AGS had been co-ordinated through a management group led by the Strategic Director – Corporate and Policy, the Operational Director – Financial Services and the Monitoring Officer. This group has been responsible for evaluating the sources of assurances and identifying any areas where the Council's governance arrangements could be strengthened.

The AGS was intended to identify any areas where the Council's governance were not in line with best practice or were not working effectively together with action plans for improvement. It was reported that the 2007/08 review of the Council's governance framework had concluded that there were no significant weaknesses in these arrangements. However, a number of areas had been identified where action was proposed to further strengthen the overall arrangements were outlined in the report.

RESOLVED: That the Business and Efficiency Board approve the Council's Annual Governance Statement.

Strategic Director
- Corporate and
Policy

BEB5 2007/08 DRAFT ABSTRACT OF ACCOUNTS

The Board considered a report of the Operational Director – Financial Services seeking approval of the Council's 2007/08 Draft Abstract of Accounts. It was reported that the Abstract set out the Council's financial performance for the year in terms of revenue and capital spending and presented the year-end financial position as reflected in the balance sheet.

The format of the Abstract was heavily prescribed by the Accounts and Audit Regulations, which made it a very technical document and not particularly easy to understand. The Regulations had required several significant changes to the content and the layout of the Abstract this year. It was noted that the changes - which were detailed in the report - would bring Local Authority accounts more into line with International Financial Reporting Standards (IFRS).

The Board was advised that in overall terms the Council had underspent its 2007/08 revenue budget by £224,000. The overall outturn report was presented to Executive Board Sub Committee on 25th June 2008 and departmental outturn reports would be available on the council's Intranet from 30th June 2008. The net result of these items was that General Fund Balances would be

reduced by £126,000 to £6,984,000 which was a good financial base for next year.

The key elements of the Abstract were outlined in the report for Members consideration as follows:

- capital expenditure;
- school balances;
- income and expenditure account;
- total net cost of services, which is adjusted by a number of appropriations, to give total net operating expenditure and how this was met;
- statement of movement on the general fund;
- Council's balance sheets;
- cashflow statement and associated notes which provided an overall analysis of the movements in cash and equivalents during the year;
- Collection Fund;
- Group accounts; and
- the Statement of Responsibilities.

The Board considered these highlighted areas and then went through the draft Abstract of Accounts in detail, robustly scrutinising its contents. In particular the following points were discussed:

- what happened to uncollected Council Tax and the progress made by the recovery team this year;
- that all balances were fully reconciled to satisfy the audit and detailed working papers related to each will be provided to the external audit team;
- that the draft accounts meet the required accounting standards and the SORP checklist had been used to verify this as far as possible; and
- last year Halton scored 3 out of 4 for financial reporting.

The Board was advised that there were a few typographical changes to be made to the Abstract as well as any minor changes that the audit commission recommended. In September the audit commission would report their findings.

RESOLVED: That ;

- (1) the Operational Director Financial Services be authorised, in consultation with the Chairman of the Business Efficiency Board, to make any necessary minor amendments prior to

Strategic Director
- Corporate and
Policy

submission to the District Auditor; and

- (2) The 2007/08 Draft Abstract of Accounts be approved for submission to the Audit commission.

Meeting ended at 7.16 p.m.