

Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield, Leicestershire on Tuesday, 3 September 2013.

PRESENT

Cambridgeshire County Council

Cllr. J. Reynolds

Leicestershire County Council

Dr. R.K.A. Feltham CC

Lincolnshire County Council

Cllr. S. Rawlins

Leicester City Council

Cllr. P. Westley

Peterborough City Council

Cllr. D. Seaton

16. Minutes of the meeting held on 3 June 2013.

The minutes of the meeting held on 3 June 2013, having previously been circulated, were agreed as a correct record and signed.

17. To advise of any items that the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

18. Declarations of interests in respect of items on this agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

19. Change to the Order of Business.

The Chairman sought and obtained the consent of the Subcommittee to vary the order of business from that set out in the agenda.

20. Statement of Accounts and Annual Governance Statement 2012/13.

The Subcommittee received a joint report of the Director and Consortium Treasurer setting out the Draft Statement of Accounts and Annual Governance Statement 2012/13 prior to their consideration by the Management Committee. A copy of the report marked 'Item 4' is filed with these minutes.

Arising from discussion the following points were made:

- (i) Members requested to be updated regularly on the numbers of new customers using ESPO. It was suggested that this information could be provided on the Balance Scorecard;
- (ii) The number of short term debtors had reduced. This was the result of efforts by ESPO to increase its cash balances;
- (iii) Very few suppliers with which ESPO worked became insolvent; however, in such circumstances ESPO might develop payment plans to enable suppliers to make rebate repayments; this approach was considered preferable to, for example, seeking repayment through legal action;
- (iv) ESPO members of staff operated under the terms and conditions of the Servicing Authority and as such did not receive any discretionary awards on retirement;
- (v) ESPO monitored the number of schools which remained customers following transition to academy status;
- (vi) The Subcommittee was reassured that actions in relation to identified areas for improvement within the Annual Governance Statement were underway or had already been completed;
- (vii) Members commented that it would be helpful for progress with regard to ESPO's succession planning for the senior management team to be reported to the Management Committee;
- (viii) ESPO received a low number of Freedom of Information requests;
- (ix) The Subcommittee noted that interviews by the external auditors with re-elected members and surveys of staff to evaluate knowledge of department and corporate principles, plans and policies had not been undertaken; as had been reported within Annual Governance Statement. The document would be updated to reflect this prior to its final consideration by the Management Committee.

RESOLVED:

- (a) That it be noted that the Draft Statement of Accounts for 2012/13 will be submitted to the Management Committee for approval at its meeting on 26 September 2013;
- (b) That the Director be thanked for the work he and his staff had undertaken to prepare the Draft Statement of Accounts and Annual

Governance Statement.

21. Management Accounts to July 2013.

The Subcommittee received a report of the Director setting out ESPO's Management Accounts to July 2013. A copy of the report marked 'Item 5' is filed with these minutes. [Further details informing the Management Accounts to July 2013, of a commercially sensitive nature, were considered under exempt business in Minute 23 below.]

Arising from discussion the following points were made:

- (i) It was noted that, in respect of late orders, ESPO had experienced its best year for customer service;
- (ii) The Subcommittee was pleased to note actions being undertaken to reduce the costs of using agency staff.

RESOLVED:

That the contents of the report be noted;

22. Exclusion of the Public.

RESOLVED:

That under Section 100(A)(iv) of the Local Government Act 1972 the public be excluded from the meeting on the grounds that it will involve the likely disclosure of exempt information during consideration of the following item of business entitled:

'Supplementary Information Informing the Management Accounts to July 2013' as defined in paragraphs 3 and 10 of Schedule 12A of the Act; and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

23. Supplementary Information Informing the Management Accounts to July 2013.

The Subcommittee considered an exempt report of the Director which set out information regarding the ESPO's Management Accounts which contained details of a commercially sensitive nature. A copy of the exempt report, marked 'Item 8', is filed with these minutes.

The exempt report was not for publication by virtue of paragraphs 3 and 10 of Section 12A of the Local Government Act 1972.

RESOLVED:

That the information contained within the report be noted.

[The meeting then reconvened into public session.]

24. Progress against Internal Audit Annual Plan.

The Subcommittee received a report of the Consortium Treasurer the purpose of which was to give a summary of Leicestershire County Council's Internal Audit Service (LCCIAS) work and highlight audits where high importance recommendations had been made. A copy of the report marked 'Item 6' is filed with these minutes.

The Subcommittee was advised that the Head of Internal Audit Service had concluded his investigation into a minor whistle-blowing occurrence. He had reported his findings to the Consortium Treasurer and Consortium Secretary and they were both satisfied that the matter had reached a successful conclusion.

RESOLVED:

That the contents of the report be noted.

25. Date of next meeting- Tuesday 19 November 2013.

It was noted that the next meeting would be held on Tuesday 19 November 2013.

10.30 am - 11.40 am
03 September 2013

CHAIRMAN