

Item 3 (iii)

Minutes of the meeting of the
GOVERNANCE COMMITTEE held in
the Fire and Rescue Service
Headquarters, Barmston Mere on
MONDAY, 28TH SEPTEMBER, 2009
at 10.30 a.m.

Present:

Mr. G.N. Cook in the Chair

Councillors Bell, Charlton, Haley and Woodwark and Miss G. Goodwill and
Mr. J. Paterson.

In Attendance:

Lynn Hunt - Audit Commission

Apologies for Absence

An apology for absence was submitted to the meeting on behalf of Councillor
M. Forbes.

Declarations of Interest

The following Councillors declared personal interests in the undermentioned reports
as Members of the various bodies indicated:-

Item 7 – Statement of Accounts 2008/2009	Councillors Haley and Woodwark	Local Government Pension Scheme
Item 7b – Annual Governance Report 2008/2009	Councillor Woodwark	Department of Working Pension (DWP)

Minutes

6. RESOLVED that the minutes of the last meeting held on 29th June, 2009 (circulated) be confirmed and signed as a correct record.

Guidance on 'Other Action'

The Deputy Clerk submitted a report (circulated) to summarise guidance recently issued by the Standards Board on the taking of 'other action' for Members of Governance Committees.

(For copy report – see original minutes).

Elaine Waugh (representing the Deputy Clerk) outlined the new guidance to members. In doing so she explained that if an assessment sub-committee decided to refer a complaint to the monitoring officer, it could direct them to investigate the matter. Alternatively, it could direct them to take steps other than carrying out an investigation. This was known as 'other action'.

Generally there were two indicators for other action. The first was when there was evidence of poor understanding of the Code of Conduct and/or the Authority's procedures. The second indicator for other action was when relationships within the Authority as a whole had broken down to such an extent that it became very difficult to conduct the business of the Authority.

The steps a Governance Committee could direct a monitoring officer to take were:-

- arranging for the member to attend a training course;
- arranging for the member and complainant to engage in a process of conciliation;
- any other steps (not including an investigation) which appeared appropriate.

The Standards Board believed that other action was most beneficial when used to deal with systemic problems rather than individual ones, for example where:-

- the same particular breach of the Code by many members, indicated poor understanding of the Code and the Authority's procedures;
- a general breakdown of relationships, including those between members and officers, as evidenced by a pattern of allegations of minor disrespect, harassment or bullying to such an extent that it becomes difficult to conduct the business of the Council;
- misunderstanding of procedures or protocols;
- misleading, unclear or misunderstood advice from Officers;
- lack of experience or training;

- interpersonal conflict;
- allegations and retaliatory allegations from the same members;
- allegations about how formal meetings are conducted; and
- allegations that may be symptomatic of governance problems within the Council, which were more significant than the allegations in themselves.

The Governance Committee or an appropriate Sub-Committee should consider the monitoring officer's report and decide whether it was satisfied with the action described.

It was:-

7. RESOLVED that the contents of the report be noted and the criteria set out in paragraph 6, in relation to taking other action, be adopted and be added to the handbook.

Internal Audit Services – 2009/2010 Audit Plan Progress Report

The Finance Officer submitted a report (circulated) to consider the performance of Internal Audit Services (IAS) up to 14th August, 2009, the areas of work undertaken and the audit opinion regarding the adequacy of the overall system of internal control within the Authority.

(For copy report – see original minutes).

Four of the nine planned audits were complete, these being Training and Development, Risk Management Arrangements, Recruitment and Induction and Management of IT Risks at the Emergency Planning Unit.

A further two audits, Income and 'Green IT', were currently ongoing and planned to be completed by the end of October and the remaining three audits were still to be scheduled, in consultation with relevant Managers.

Of the audits completed, 0 high, 0 significant, 29 medium and 9 low risks were identified.

Using the cumulative knowledge and experience of the systems and controls in place, including the results of previous audit work and the work undertaken to date within 2009/2010, it was considered that overall, throughout the Authority, there continued to be a sound internal control environment.

It was:-

8. RESOLVED that Internal Audit Services' performance and the audit opinion of the adequacy of the overall system of internal control within the Authority be noted.

Audit Commission – Annual Audit Fee 2009/2010 and 2008/2009

The Chief Fire Officer submitted a report (circulated) requesting that Members of the Committee note the Audit fee and planned work for 2009/2010.

(For copy report – see original minutes).

Lynn Hunt (Audit Commission) presented the report and advised the Committee that each year the Audit Commission notified the Authority of its annual audit fee and also identified the main areas of planned audit work for that particular year.

Members were advised that the total indicative fee for the audit for 2009/10 was for £74,200 (exclusive of VAT) which compares to the planned fee of £74,200 for 2008/09.

The key lines of enquiry specified for the assessment were set out in the programme. The key risks identified relate to sustainability and energy management.

The initial risk assessment for value for money audit work relating to the Regional Control Centre was scheduled to take place from April 2009 – March 2010 with audit work relating to sustainability and energy management to be carried out from December 2009 – February 2010.

Councillor Haley questioned whether the Authority was a member of the North East Purchasing Organisation (NEPO) and the Chief Fire Officer advised that, yes, the Authority did currently use this service.

It was:-

9. RESOLVED that the audit fee for 2009/2010 and 2008/2009 together with the planned audit work for 2009/2010 be noted.

Audited Statement of Accounts 2008/2009 – Letter of Representation

The Chief Fire Officer submitted a report (circulated) detailing the Letter of Representation for the information of Members.

(For copy report – see original minutes).

The Finance Officer referred Members of the Committee to the Letter of Representation and explained that the Letter of Representation, signed by the Chair of the Governance Committee (on behalf of that Committee), the Chief Fire Officer,

the Finance Officer and the Clerk to the Authority, provided the necessary assurance to the Audit Commission.

It was:-

10. RESOLVED that the Letter of Representation be noted.

Annual Governance Report 2008/2009

The Audit Commission submitted a report (circulated) which detailed the results of the audit work for 2008/09 and set out key issues to be considered before the audit was completed.

(For copy report – see original minutes).

Lynn Hunt explained that subject to satisfactory clearance of some minor outstanding matters, that the Audit Commission expected to issue an unqualified audit opinion on the Authority's financial statements for the 2008/09 financial year.

Management had agreed to make adjustments to disclose the Long Term Investment in the North East Fire Control Company Ltd. on the balance sheet. This would become important in future years when the RCC had measurable financial value. In addition to this, Lynn informed the Committee that they intended to issue an unqualified value for money conclusion.

The only area of the audit where there was still work to be completed was in relation to confirmations from DWP in respect of pension injury payments. An alternative way to obtaining this information was now being sourced. Subject to satisfactory clearance, an unqualified opinion on the financial statements would be issued. In addition to this, an unqualified conclusion stating adequate arrangements to secure economy, efficiency and effectiveness in the use of resources would be issued.

11. RESOLVED that the contents of the Audit Commission Communication concerning financial statements be noted.

Audited Statement of Accounts 2008/2009

The Finance Officer submitted a report (circulated) detailing the Audited Statement of Accounts 2008/2009.

(For copy report – see original minutes).

The Finance Officer reminded the Committee that the Statement of Accounts approved by the Authority on 30th June, 2009 did not contain any misstatements and the Audit Commission would formally provide an opinion on the Statement of Accounts before the end of September 2009.

Following the audit, the Statement of Accounts had been amended for a number of presentational issues, which were detailed at Appendix A for information.

12. RESOLVED that the Audited Statement of Accounts for the Financial Year ended 31st March, 2009, be approved.

(Signed) G.N. COOK,
Chairman.