

Item 3

Minutes of the meeting of the
GOVERNANCE COMMITTEE held in
the Fire and Rescue Service
Headquarters, Barmston Mere on
MONDAY, 22ND MARCH, 2010 at
10.30 a.m.

Present:

Mr. G.N. Cook in the Chair

Councillors Charlton, M. Forbes, Haley and Woodwark and Mr. J. Paterson.

In Attendance:

Lynn Hunt - Audit Commission

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Bell, Clark and Miss G. Goodwill.

Declarations of Interest

There were no declarations of interest.

Minutes

13. RESOLVED that the minutes of the last meeting held on 28th September, 2009 be confirmed and signed as a correct record.

The Chairman advised the Committee that the Finance Officer was retiring from his post on 30th March, 2010. He took the opportunity to thank Mr. Beardmore for his outstanding work and on behalf of the Committee he wished him and well for the future.

Standards for England – Annual Conference

The Deputy Clerk to the Authority submitted a report providing detail on the 2009 Annual Assembly of Standards Committees held on 12th and 13th October at the International Convention Centre at Birmingham.

Mr. Rayner summarised the three issues raised at the plenaries and advised that workshops were held for the Monitoring Officers and Members of Standards Committees and in particular from the perspective of Independent members.

A video message was delivered by Rt. Honourable Winterton whilst Glenys Stacey outlined findings from the Annual review. The third session consisted of an introduction by Professor Alan Lawton of Hull University and two case studies of Hull and Lincolnshire authorities.

Referring the Committee to the appendix of the report, Mr. Rayner advised that the Fire Authority was one of the 128 Local Authorities which had received no complaints.

The Chairman, although enjoying the event, did feel it could be condensed to one day and commented that he would welcome a different location to Birmingham for some of these conferences.

It was:-

14. RESOLVED that the report be noted.

Adjudication Panel for England becomes known as First-Tier Tribunal (Local Government Standards in England)

The Deputy Clerk submitted a report advising that on 18th January, 2010 the function of the Adjudication Panel for England were transferred to the First-Tier Tribunal and the Adjudication Panel for England was abolished. The role of the First-Tier Tribunal being to hear cases referred to it by the Committee following an investigation and also hear appeals by a member against the decision of the Committee.

Consideration having been given to the matter, it was:-

15. RESOLVED that the contents of this report be noted.

Annual Report on the Work of the Committee on Standards Issues

The Deputy Clerk submitted a report to annually report on the work of the Committee and this information would be used to complete the annual return questionnaire issued by Standards for England.

It was:-

16. RESOLVED that the contents of the report be noted.

Annual Audit Letter 2008/2009

The Chief Fire Officer, Clerk to the Authority and the Finance Officer submitted a joint report providing the Committee with an outline of the content of the Audit Commission's Annual Audit and Inspection Letter for 2008/2009.

Lynn Hunt was in attendance to present this item of business. In doing so she explained that an unqualified audit opinion and financial statements had been issued together with an unqualified value for money conclusion confirming adequate arrangements were in place. The letter also stated that financial statements and supporting papers were provided to a very high standard.

Other key messages were the need to keep the Fire Control project under review as identified and when assessed against the new use of resources framework the Authority was judged to be at level 3 i.e. performing well.

The letter also identified some areas that could be improved, in particular a review of the cost and quality of back office functions and publicly available information on approach to sustainability and the environmental footprint. In addition, it was noted that the Authority employed a very low number of staff from ethnic minorities.

The Committee commented that this was an excellent report and asked that congratulations be extended to the team.

It was:-

17. RESOLVED that:-

- (i) the content of the Annual Audit and Inspection Letter for 2008/2009 be noted, together with any impact upon future policies not already being addressed; and
- (ii) further reports be received as appropriate.

Audit Commission – Audit Opinion Plan 2009/2010

The Chief Fire Officer submitted a report advising on the nature of the audit work together with the scale of fee for the 2009/10 audit and the assumptions which informed this figure.

Areas for the planned audit work were based upon a risk assessment process and the following identified:-

- Review the accounting treatment of PFI Schemes in light of IFRIC12 and other guidance in the SORP 2009;

- Ensure interest in NEFCCL is fully disclosed and properly accounted for;
- Undertake testing to confirm accounts relate to fixed assets and pension obligations and confirm they had been correctly valued and accounted for;
- Undertake testing and confirm that shared costs and balances had been correctly allocated; and
- Ensure SORP changes have been fully and accurately complied with.

It was suggested by Members that some explanatory notes on the accounts be issued in future. The Finance Officer commented that this would be useful for providing some clarity and agreed to action the request.

Consideration having been given to the matter, it was:-

18. RESOLVED that the Audit Commission report in relation to its fee for the work to be undertaken in respect of auditing the financial statements for 2009/2010 and 2008/2009 and planned areas of work based on the Audit Commission's risk-based approach to audit planning, be approved.

Internal Audit Services – Internal Audit Operational Plan for 2010/2011

The Finance Officer submitted a report to enable the Committee to endorse the proposed Internal Audit Operational Plan for 2010/2011.

Tracy Davis outlined the report and advised the Committee of the following planned audits:-

Asset Management (15 days)
 Stores (15 days)
 Information Governance (15 days)
 Procurement (18 days)
 Emergency Planning Unit (12 days)

It was:-

19. RESOLVED that the Proposed Internal Audit Operational Plan be endorsed.

Fire and Rescue Organisational Assessment for Tyne and Wear Fire and Rescue Authority

The Chief Fire Officer, the Finance Officer and the Clerk to the Authority submitted a joint report outlining the findings of the Audit Commission's auditors in respect of the new Organisational Assessment Framework, which formed part of the overall Comprehensive Area Assessment process introduced in April 2009.

Referring Members to the Organisational Assessment appended to the report, the Chief Fire Officer was pleased to report that for both the Use of Resources Audit and the Managing Performance Audit the Authority had a recorded score of three 'Performing Well' and had been awarded an overall combined score of three for the Organisational Assessment.

The Committee commented that this was an excellent achievement for the Authority and it was:-

20. RESOLVED that the contents of the report be noted.

International Financial Reporting Standards (IFRS)

The Finance Officer submitted a report on the implications of the need to comply with International Financial Reporting Standards (IFRS), the project outline and the necessary actions to enable the requirements to be met.

Members were reminded that the budget for 2010/2011 had been prepared so that it was IFRS compliant, which was the first year of full compliance by the Authority. In addition, however, IFRS required that the previous year's accounts must also be IFRS Compliant in order to show previous year comparisons.

The key areas affected were the accounting for employee benefits, private finance initiatives, leases and assets. Members were advised that work was progressing well.

Due to the vast number of changes a training programme was proposed. The Committee agreed that this would be useful.

Upon discussion, it was:-

21. RESOLVED that the report and project outline be noted.

Treasury Management in Local and Public Authorities

The Finance Officer submitted a report informing Members that responsibility for Scrutiny of Treasury Management was to be undertaken by the Committee in future.

Members were advised that with the aim of strengthening treasury management, operators and practices across the public sector, the CIPFA amended their Treasury Management Code of Practice. Details of changes were included within the appendix of the report.

Consideration having been given to the matter, it was:-

22. RESOLVED that:-

- (i) the responsibility for Scrutiny of Treasury Management be undertaken by the Governance Committee in future; and
- (ii) the Committee scrutinises:-
 - the Treasury Management Policy Statement for 2010/2011; and
 - the Treasury Management Strategy for 2010/2011, including the annual borrowing and investment strategy as set out in Appendix C.

(Signed) G.N. COOK,
Chairman.