

Item 3

Minutes of the meeting of the
GOVERNANCE COMMITTEE held in
the Fire and Rescue Service
Headquarters, Barmston Mere on
MONDAY, 26 SEPTEMBER 2011 at
10.30 AM.

Present:

Mr. G. Cook in the Chair

Councillors Padgett and Trueman and Mr J P Paterson and Miss Goodwill.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Bell, Mole, Ord and Watters.

Declarations of Interest

There were no declarations of interest.

Minutes

10. RESOLVED that the minutes of the last meeting held on 18 July 2011 be confirmed and signed as a correct record.

Internal Audit Progress Report

The head of internal audit submitted a report setting out the performance of Internal Audit up to 31 August 2011, areas of work undertaken, and the internal audit opinion regarding the adequacy of the overall system of internal control within the Authority.

Paul Davies spoke to the report and referred members to Appendix 1, which detailed the performance against agreed Key Performance Indicators (KPI's). All KPI's were on target with the exception that the target for the overall average score on post

audit questionnaires was 'better than 1.5' where 1 equals good and 2 equals satisfactory, and actual performance currently stood at 1.7. This being based on 3 out of 4 questionnaires issued being returned. Mr Davies was not concerned about this given the small number of returns.

Appendix 2 of the report detailed the audit opinion for the audits carried out during the year and the overall opinion for all key risk areas and members were advised that there were no issues / concerns to raise. Overall, throughout the Authority, there continued to be an adequate system of internal control.

The Chair commended the Authority on the findings of the report and asked whether all areas of business were covered within the identified risk areas?

Paul Davies responded by advising that all key risk areas had an opinion except for project management arrangements and partnerships. Work would be undertaken later this year to be able to provide an opinion on project management arrangements and work would be undertaken in 2012/2013 relating to partnerships.

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

Treasury Management – Half Yearly Review of Performance 2011/12

Malcolm Page submitted a report on borrowing and investment strategy and performance for 2011/2012 to date, which incorporated the first and second quarterly Treasury Management reviews.

He advised the committee that no debt rescheduling had been undertaken in 2011/2012 as rates had not been considered favourable and volatility in the market was still significant. An increased rate of return achieved on investments was expected to generate additional income of £30,000 during 2011/2012.

The Chair referred to section 5.1 of the report in particular the fact that the Operational Boundary Limit was exceeded due to an International Financial Reporting Standards (IFRS) adjustment which was technical in nature only and was advised that the Authorised Borrowing Limit had been reviewed and was deemed to be set at an appropriate level and would not be exceeded or breached.

The Chair referred members to Appendix 5 and commented that this information was helpful.

12. RESOLVED that the Treasury Management performance for 2011/2012 to date, be noted.

Audited Statement of Accounts 2010/2011

- (i) Letter of Representation**
- (ii) Letters of Assurance**
- (iii) Annual Governance Report (Audit Commission)**
- (iv) Amended Audited Statement of Accounts 2010/2011**

Malcolm Page submitted a report on the Audited Statement of Accounts 2010/2011.

Members were reminded that the Statement of Accounts was noted by the Authority on 18 July 2011, which now audited did not contain any misstatements and the Audit Commission was to formally provide an unqualified opinion on the Statement of Accounts before the end of September 2011 once all items had been noted and/or approved.

The committee noted the very positive findings detailed within the papers and the Chairman commented on the usefulness of Appendix B which provided members with a simpler guide to the Statement of Accounts.

The District Auditor drew the attention of the committee to the changes in the International Financial Reporting Standards (IFRS) and the work that this had generated. He went on to commend the Finance Officers for the way in which they had adopted the changes and had no hesitation in issuing an unqualified opinion for both the Statement of Accounts and also for the Value for Money Conclusion (VFM).

The Chairman then, on behalf of the committee thanked Malcolm Page and his colleagues for their outstanding work carried out through a period of tremendous change. He, in turn, congratulated his staff, particularly the work undertaken by Dennis Napier and his team.

13. RESOLVED that:-

- (i) The Letter of Representation be noted and approved,
- (ii) The contents of ISA 240/250 letters of assurance from management and from those charged with governance be noted,
- (iii) The contents of the Auditors Annual Governance Report be noted, and
- (iv) The amended Audited Annual Statement of Accounts for the Financial Year ended 31 March 2011 be approved.

(Signed) G.N. COOK,
Chairman.

