

## North East Combined Authority, Governance Committee

11 September 2015

(2.00 pm - 3.15 pm)

Meeting held Durham County Council, County Hall, Durham, DH1 5UZ

### Present:

Independent Members: M Scrimshaw (Chair), G Clark

Councillors: B Coates, A Dale, G Hobson, J O'Shea, H Trueman  
D Jones and M Williams (reserve members)

### 11 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bell and Franks. The Committee was advised that their respective substitutes, Councillors Williams and Jones were in attendance.

### 12 DECLARATIONS OF INTEREST

None

### 13 MINUTES OF PREVIOUS MEETING HELD ON 10 JULY 2015

**RESOLVED** – That the Minutes of the previous meeting held on 10 July 2015 be agreed as a correct record, subject to the following amendments and then be signed by the Chair:

- Removing G Clark from the list of Councillors and separately listing as an Independent Member.
- Correctly spelling G Clark surname, 1<sup>st</sup> paragraph of Minute 1.
- Change the wording in 2<sup>nd</sup> paragraph, 1<sup>st</sup> sentence of Minute 1 from 'NEXUS Board' to 'NEXUS Audit Committee'.

P Woods referred to the next Agenda Item - Annual Report and Accounts and suggested that the Committee may like to consider the External Auditors report and their views prior to considering this report. The Committee agreed.

### 14 EXTERNAL AUDITORS REPORT

Submitted: Report by the External Auditor (circulated on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985, which summarised the findings of the 2014/15 Audit.

Paul Thompson and N Rayner, representative from External Auditor introduced the report, summarising the key aspects. It was pointed out that the overall process of auditing the accounts had been good and Deloitte wished to thank the management team for their assistance and co-operation during the course of their audit work.

During discussions the Committee raised concerns around the time taken to receive confirmation letters from Lloyds Bank, asking for an update to be provided on how much was charged for these letters and how long Lloyds Bank took to issue the letters. The Committee was informed that the annual request could be made more promptly next year and a response be chased more heavily.

Councillor Jones arrived at meeting 2.35

Clarification was provided on the grant and loan criteria of the LEP, with members being informed that if they had any queries about the terms and conditions of the loans they should be directed to P Woods. Assurances were provided about the future process for countersign off of the journals and about the declaration of interests' framework.

**RESOLVED** - That the Committee received and noted the report of the External Auditor attached as Appendix 1.

## 15 **ANNUAL REPORT AND ACCOUNTS**

Submitted: Report by the Chief Finance Officer (circulated on a supplemental agenda in accordance with the Local Government (Access to Information) Act 1985, which presented the final accounts for approval and summarised the findings of the audit.

P Woods introduced the report advising the Committee about the Tyne Tunnel VAT being incorrectly identified; however, action was being taken to recover this amount and it would be reflected in the 2015-16 accounts. He thanked Eleanor Goodman, Newcastle City Council and Paul Dixon, Sunderland who had worked extremely hard on preparing the accounts. He confirmed that as a result of comments raised during the External Auditors Report, the balance figures would be included in the opening information when submitted to the Leadership Board for approval.

In response to comments raised, the Committee was informed that:

- The loan and grant amounts administered by the LEP were included in the accounts but to a layperson they were not perhaps obvious. The details on this would be circulated to members for information.
- The officers had confidence in the recoverability of the long term debt through the regular scheduled payment agreements.

The Committee received and noted the additional paper circulated, which provided some overview information around NECA and would supplement the Annual Report and Accounts.

**RESOLVED** - That the Annual Report and Accounts 2014/15, be recommended for approval and sign-off to the Leadership Board.

## 16 **ANNUAL GOVERNANCE STATEMENT**

Submitted: Report by Audit, Risk and Insurance Service Manager (Newcastle City Council) (previously circulated and a copy attached to official minutes), which

presented the Annual Governance Statement for approval for inclusion in the annual accounts.

P Slater introduced the report. During discussions members were informed about progress on the risk register. Reference was made to Appendix 1 – Governance Framework, *‘developing the capacity of members and officers to be effective’*, with comments raised that members had not received any training as a NECA member. A comment was made that it should be determined whether there was a need for NECA members to have specific training around their strategic roles.

**RESOLVED** – That the Annual Governance Statement be included in the annual accounts.

## 17 **INTERNAL AUDIT PROGRESS REPORT**

Submitted: Report by Audit, Risk and Insurance Service Manager (Newcastle City Council) (previously circulated and a copy attached to official minutes), which provided a progress update against the delivery of the 2015/16 internal audit plan; information on the implementation of audit recommendations; and an Audit Charter, which detailed the roles and responsibilities of internal audit within the Combined Authority, seeking Committee approval.

P Slater introduced the report. He confirmed that although there were a number of audits to be completed during October and November, it would be manageable.

A request was made for the Committee to be provided with a link to the NECA website where the Combined Authority’s Partnership schedule was published.

A brief discussion was held around the varied approaches that all the local authorities took in relation to the declaration of interests’. Comments were raised around developing some consistency and to ensure NECA partners were involved in the process. The Committee was informed that the NECA declaration of interests’ form matched best practice.

Clarification was sought on some of the actions against the current position on the recommendations raised in 2014/15. As a result of some confusion, it was suggested that for future meetings, the presentation of information (e.g. sub numbering/bullet points) be examined, to ensure clarity about actions.

**RESOLVED** – That:

- (i) The internal audit activity to date be received and noted.
- (ii) The Audit Charter be approved.

## 18 **DATE AND TIME OF NEXT MEETING**

Friday 11 December 2015 at 2pm at Gateshead Council.