

North East Combined Authority, Governance Committee

12 September 2014

(2.00 pm - 2.50 pm)

Meeting held Committee Room 1 - Northumberland County Council, County Hall, Morpeth NE61 2EF

Present:

Independent Chair: M Scrimshaw

Councillors: E Bell, B Coates, A Dale, H Franks, J O'Shea and H Trueman

Independent Member: G Clark

10 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor A McMillan and Ms S Gardner, the Independent Person.

11 DECLARATIONS OF INTEREST

The declaration of interest procedure was noted.

12 MINUTES OF PREVIOUS MEETING HELD ON 27 JUNE 2014

RESOLVED – That the Minutes of the previous meeting held on 27 June 2014 were agreed as a correct record and signed by the Chair.

Matters Arising:

Minute 5 – Annual Governance Statement 2013/14: Reference was made to the request for the framework for seeking internal/external assurance and a timetable and arrangements. The Committee was informed that a draft would be presented to the proposed additional Committee meeting to be scheduled to take place in December 2014.

13 THE ESTABLISHMENT OF A SUB-COMMITTEE OF THE GOVERNANCE COMMITTEE

Submitted: A report by the Monitoring Officer (previously circulated and a copy attached to official minutes), which provided information on the terms of reference for a Sub-Committee and process for determining complaints of breaches of the Code of Conduct for Members, the grant of dispensations from non-participation in a meeting or voting at the meeting because of a dis-closable pecuniary interest held by a Member.

Reference was made to the assessment of complaints with comments being raised about whether a Member could potentially be investigated by both the Combined

Authority as well as the Authority they were elected to. It was explained that although no guarantee could be given that this would not happen, the Assessment Criteria had been established so that the Monitoring Officer had a degree of flexibility to determine the best route for the complaint to be investigated. The Assessment Criteria would be checked to ensure it was robust enough so that it provided for the rejection of a complaint, which was more appropriately addressed by another body or more particularly the Authority from which the subject member of the complaint was nominated.

A short discussion was held around the size and composition of the Sub Committee to be recommended to the Leadership Board. A comment was expressed about ensuring the Sub Committee did not comprise of a Member from the same Authority as the subject member complaint.

RESOLVED – That the Committee:

- (i) Noted the report.
- (ii) Agreed the Membership of the Sub Committee as 3 Members with a Quorum of 2, in addition to each meeting being Chaired by one of the non-voting Co-opted Independent Members.
- (ii) Invited the Leadership Board to amend the Constitution to create a Sub-Committee for the purposes of determining complaints of breaches of the Code of Conduct for Members and for granting dispensations for Members with registerable and non-registerable personal interests to enable Members to participate and vote at Committees where otherwise this would be prohibited, as detailed in the report.

14 **REQUEST FOR DISPENSATIONS**

Submitted: A report by the Monitoring Officer (previously circulated and a copy attached to official minutes), which provided information for determining requests for dispensations from Members and substitute Members of the Leadership Board in relation to their registerable and non-registerable personal interests.

The Committee was advised that a further five requests had been received since the report was circulated; details of which were reported.

In response to clarification on the recommended period of time that the dispensations were to be granted, it was explained that this would be for an initial two years but could be extended, if considered appropriate on expiry of the two year period.

The Chair suggested that if further dispensations were received, that he along with the Monitoring Officer be given authority to grant the dispensation on the grounds identified, inviting the Committee to consider his suggestion.

RESOLVED – That:

- (i) The requests for dispensation circulated with the agenda and the additional requests received and reported at the meeting be granted to enable the Members and Substitute Members to remain in relevant Leadership Board meetings when considering matters relating to funding agreements between the NECA and the Member's Authority but not to vote on the matter.
- (ii) The Monitoring Officer in conjunction with the Chair of the Governance Committee be authorised to grant dispensations for further requests received from the Members and substitute Members of the Leadership Board.
- (iii) Where dispensations were granted that the Monitoring Officer be authorised to issue a certificate of dispensation to Members concerned.

15 **ANNUAL REPORT AND ACCOUNTS 2013/14**

Submitted: A report by the Chief Finance Officer (previously circulated and a copy attached to official minutes), which summarised the findings of the audit and presented details of the final accounts for consideration.

During the presentation of the main highlights, appreciation was extended to the Senior Accountant, Newcastle City Council and her team for all the hard work in preparing and auditing the accounts and the Governance Statement.

The Committee was informed about a potential contingency liability relating to the Tyne Tunnel toll exemptions, which arose during July/August and which had been reported to the Auditors. Further information about this would be provided to Members in due course.

The Chair asked for a letter of thanks on behalf of the Committee to be sent to Councillor David Wood, Chairman of the Former Tyne and Wear Integrated Transport Authority, expressing the Committee's appreciation for his efforts. He also requested that thanks be recorded in the Minutes for the support of from Mr Anthony Atkinson and Ms Elizabeth Green during their term of office as Independent Members.

RESOLVED – That

- (i) The Annual Report and Accounts for 2013/14 be recommended to the Leadership Board for sign-off.
- (ii) The Annual Governance Statement 2013/14 be recommended to the Leadership Board for sign-off.
- (iii) A letter of thanks and appreciation be sent to the Chair of the Former Tyne and Wear Integrated Transport Authority on behalf of the Committee.

16 **EXTERNAL AUDITOR'S REPORT TO THE GOVERNANCE COMMITTEE OF THE NORTH EAST COMBINED AUTHORITY**

Submitted: A report by the External Audit (previously circulated and a copy attached to official minutes), which provided details of the audit of the Tyne and Wear

Integrated Transport Authority 2013/14, by the Authority's independent external auditors, Deloitte.

The principal matters arisen from the Audit for the year ending 31 March 2014, and the judgemental areas were highlighted. Appreciation was extended to the management team for their assistance and cooperation during the course of their audit work.

Members welcomed the report.

On points of clarification, it was explained that in future there would be one set of accounts for the Combined Authority, which would include information on the Tyne and Wear transport. Deloitte would continue as the External Auditors for the Combined Authority for the transition period 2014/15 with Mazars taking over the role from 2015.

RESOLVED – That the External Auditor's report be received and noted.

At this point in the proceedings, the Chair announced that an additional short verbal update was to be provided, seeking Committee's agreement.

17 **BUDGET 2014/15 - ADDITIONAL ITEM**

The Committee was informed that NECA Leadership Board would be considering the 2015/16 Budget in January 2015; however, a report on the process and timetable for the preparation, consultation of the 2015/16 Budget and the Medium Term Financial Strategy was being for consideration the NECA Leadership Board on Tuesday 16 September and a copy of this report, for information purposes, would be circulated to Governance Committee.

RESOLVED – That the Budget 2014/15 Process and Timetable report being considered by the NECA Leadership Board on Tuesday 16 September 2014 be circulated for information to Governance Committee members.

Councillor Dale left the meeting at 2.45pm

18 **INTERNAL AUDIT PROGRESS REPORT**

Submitted: A report by Audit, Risk and Insurance Service Manager (Newcastle City Council) (previously circulated and a copy attached to official minutes), which provided members with an updated Internal Audit Plan for the Combined Authority for 2014/15 and detailed progress against the delivery of the plan and implementation of audit recommendations.

In response to questions asked, the Committee was appraised in detail about the processes and risk management strategy relating to the Tyne Tunnel Toll Income.

A discussion took place on the level of detail and information to be provided in the Audit Activity schedule.

The Committee was reminded that there was some capacity set within the Plan to undertake additional activity should it arise throughout the year.

RESOLVED – That the Committee:

- (i) Noted the revised Internal Audit Plan for 2014/15 and internal audit activity to date.
- (ii) Agreed the level of detail and information to be provided in the report, as that presented, in addition to the following points being highlighted in the schedule:
 - Aggregate number of days expected for each audit activity
 - Date the audit activity was due to Governance Committee for consideration

19 **DATE AND TIME OF NEXT MEETING**

The Committee was invited to consider the following in terms of future meetings:

- Holding an additional meeting on 9 December, 2014 to coincide with the meeting of the NECA Overview and Scrutiny Committee to enable members to attend part of this meeting to hear the briefing on transport.
- To find an alternative date to that scheduled in February 2015.

RESOLVED – That:

- (i) Members to be invited to attend the Transport briefing session scheduled to take place at the NECA Overview and Scrutiny Committee meeting on 9 December 2014.
- (ii) An additional meeting of the Committee to be scheduled on 9 December 2014, possibly following the close of business of the NECA Overview and Scrutiny Committee.
- (iii) The meeting scheduled to take place on 13 February 2015 be cancelled and an alternative date be found and notified to all concerned.