

Audit and Standards Committee

9 July 2024

(10.00am)

Meeting held in: The Bridges Room, Gateshead Civic Centre

Minutes

Present: Dave Willis OBE(Chair)
Councillor Louise Fenwick
Councillor Alex Watson
Councillor Julie Simpson
Councillor Ian Patterson
Councillor Mark Mitchell
Councillor Frank Lott
Councillor Caroline Ball
Councillor Ken Dawes
Councillor David Herbert
Councillor Alison Smith
Councillor Michael Hartnack

In attendance: Eric Richards (Independent Person - Standards)

ASC1/7/24 Apologies for Absence and Substitutes

Apologies for absence were received from:

Councillor Tracy Dodds. Councillor Alison Smith attended the meeting as her substitute.

Councillor John Harrison.

Councillor Mark Swinburn.

ASC2/7/24 Appointment of Vice Chair

The Chair welcomed members to the first meeting of the Audit and Standards Committee and asked for nominations for the position of Vice Chair. Councillor Ian Patterson, seconded by Councillor Louise Fenwick, proposed Councillor Julie Simpson for the role of Vice Chair.

Resolved that Councillor Julie Simpson be appointed to the role of Vice Chair of the Audit and Standards Committee for the 2024/25 municipal year.

ASC3/7/24 Work Programme 2024/25

The Committee considered a report from the Senior Governance Officer in relation to the proposed work programme for the year ahead.

It was suggested that the adequacy and appropriateness of the standards regime in local authorities be looked at by the Committee, in view of the new Government's wish to see improved standards. It was confirmed that the work programme included standards updates and that further discussion would be held with Monitoring Officers across the region in order to ensure work was not duplicated. It was agreed that an update report would be brought back to the next Committee.

Resolved that:

- i) the proposed work programme for the 2024/25 municipal year be approved;
- ii) it may be necessary to change or adapt the proposed reports to be considered, to ensure optimum timing of consideration of governance issues and to respond to emerging trends during the year; and
- iii) the Committee receive additional reports on any ad-hoc items of business arising during the year, as these related to its responsibilities under its terms of reference.

ASC4/7/24 Internal Audit Quarterly Update

The Committee considered a report from the Chief Internal Auditor which provided an update on completion of the 2023/24 internal audit plans relating to the former North East Combined Authority and North of Tyne Combined Authority and the timescale for agreeing the internal audit plan for 2024/25. It was noted that all opinions had been reported to the responsible Audit and Standards Committee of the previous combined authorities.

Resolved that:

- i) the progress against internal audit plans of the former North East Combined Authority and North of Tyne Combined Authority for 2023/24 be noted; and
- ii) the approach to development of the 2024/25 internal audit plan be noted.

ASC5/7/24 Internal Audit Annual Opinion 2023/24

The Committee considered a report from the Chief Internal Auditor which provided opinion on the overall adequacy and effectiveness of the former North of Tyne Combined Authority, North East Combined Authority and the Joint Transport Committee Authority's framework of governance, risk management and control. It was noted that the opinions were positive.

Resolved that the:

- i) North of Tyne Combined Authority – Internal Audit Annual Opinion be noted; and
- ii) North East Combined Authority and Joint Transport Committee – Internal Audit Annual Reports be noted.

ASC6/7/24 The North East Combined Authority Risk Management Framework

The Committee considered a report of the Director of Finance and Investment on the proposed North East Combined Authority Risk Management Framework. It was noted that the framework had been developed in collaboration with the North Tyneside Council team through a Service Level Agreement. The Committee was advised that the framework governed how risk was managed and the delivery of strategic objectives. The framework's development had taken into account best practice and HM Treasury guidance.

During discussion, the following points were raised:

- It was suggested that the Authority's appetite for risk ought to be set corporately at a top level and be clearly defined, otherwise Directors may have different tolerances.
- Cabinet should have discussions, supported by executive directors, to provide a corporate view of risk.
- More clear triggers were required to provide more standardisation.

- Each strategic risk would have a Cabinet member and senior leadership team ownership.
- It was suggested that the framework be brought back to the next meeting for endorsement prior to it being reported to Cabinet.

Resolved that:

- i) the proposed North East Combined Authority's Risk Management Framework be noted; and
- ii) a further report be brought back to the next meeting to reconsider the proposed framework prior to its approval by Cabinet.

ASC7/7/24 External Audit – Auditor's Annual Reports 2022/23

The Committee considered the External Auditor's Annual Reports for 2022/23 in relation to the former North East Combined Authority and the North of Tyne Combined Authority.

It was noted that all opinions were unqualified, with no significant issues. Value for money arrangements had no significant weaknesses to report and financial sustainability was sound for both previous combined authorities. It was also noted that governance arrangements were sound and there were no areas of issues to report.

The Committee was advised that the Audit Certificate had not been issued because the External Auditors were awaiting clearance from the National Audit Officer on whether they would be required to undertake additional procedures as a sampled component as part of its reporting of whole government accounts. Clearance and the issue of the certificate were expected by November 2024.

It was confirmed that external auditors were waiting from 2023/24 financial statements for both previous combined authorities, up to 6 May 2024. The focus would then be on the new combined authority's accounts and a single set of statements would be in place for 2024/25.

It was confirmed that both final sets of accounts were included in the work programme to be brought back to Committee in April 2025.

Resolved that the reports from the External Auditor be noted.

ASC8/7/24 Code of Conduct for Members – Dispensation

The Committee considered a report of the Monitoring Officer seeking dispensations for the Authority's Cabinet Members and Substitute Cabinet Members to allow them to take part in decisions which related to the constituent council which appointed them.

Resolved that dispensations be granted to Cabinet Members and Substitute Cabinet Members as set out in section 1.3 of the report.