

HUMBER BRIDGE BOARD

AUDIT COMMITTEE

12<sup>th</sup> November, 2009

PRESENT:-

Councillor S. Chaytor (in the Chair), Councillors I. Fleetwood (Deputy Chair), D.W. Gemmell, A.C. Gurevitch, and K. Vickers.

IN ATTENDANCE:-

Mr. P. Hill (General Manager and Bridgemaster), Mr. P. Holland, Mr P. Bucknall and Miss L. Ellis (Audit and Business Risk Management, Corporate Finance and Democratic Services, Hull City Council).

APOLOGIES:-

Councillor M. Bristow, and Mr M Hudson (Treasurer to the Board)

<b>Minute No.</b>	<b>Report No.</b>	<b>Business</b>
3975		<b>DECLARATIONS OF INTEREST</b> – No declarations of interest were made in respect of the items that follow below.
3976		<b>MINUTES – Agreed</b> – That, the minutes of the meeting of this Committee held on 13 July, 2009, be taken as true and correctly recorded and be signed by the Chairman, subject to the following amendment at minute 3955 (a), the words ‘adopted, subject to being amended as discussed above’ be replaced by ‘referred for consideration by the Board at its next meeting’.
3977	24	<b>AUDIT COMMITTEE REVISED TERMS OF REFERENCE</b> – The Audit and Business Risk Manager submitted, on behalf of the Treasurer, a report which presented revised terms of reference for the Audit Committee, which had been ratified by the Board as its meeting on 14 October, 2009 (minute 18 refers). The report also proposed actions to assist the smooth operation of the Committee in discharging those terms, namely the development of a forward plan and a training programme.

Discussion took place around whether power should be plenary or advisory, delegations, potential for overlap or

Minute No.	Report No.	Business
		<p>gaps, and the need to incorporate a date for review post implementation.</p> <p><b>Agreed –</b></p> <p>(a) That, in light of the need to take account of the ToR of the Board's other committees, consideration of this item in respect of the revised terms of reference be deferred to a meeting of this Committee to be held on 27 November, 2009, on rising of the General Purposes and Staffing Committee;</p> <p>(b) that officers meet to prepare an initial draft for ToR for the committees and consult the relevant Chairs and Deputy Chairs prior to 27 November, and</p> <p>(c) that the proposals for developing a forward plan and a training plan for the Committee be endorsed, subject to the training to include all members of the Board and senior Bridge officers and wider areas as required, and be recommended to the Board for approval.</p>
3978	25	<p><b>AUDIT REPORTS</b> – The Audit and Business Risk Manager submitted, on behalf of the Treasurer, a report which presented proposals for the reporting of audit report findings to the Audit Committee, in the context of the Committee's revised terms of reference, as ratified by the Board on 14 October, 2009.</p> <p><b>Agreed –</b></p> <p>(a) That the information contained in the report be approved;</p> <p>(b) that the proposals as set out in section 3 of this report, for the reporting of internal audit findings to the Committee, be approved and incorporated following discussions at the meeting of this Committee to be held on 27 November, and</p> <p>(c) that those proposals be incorporated with the ToR once those terms are finalised following the meeting on 27 November and approved by the Board in</p>

Minute No.	Report No.	Business
		February 2010.
3979	26	<p data-bbox="518 427 1361 745"><b>ANNUAL STATEMENT OF ACCOUNTS 2007/08 and 2008/09 – COMPLETION OF EXTERNAL AUDIT –</b> P. Bucknall, on behalf of the Treasurer to the Board, submitted a report which provided members of the Audit Committee with the independent auditor's (Audit Commission) report to the Humber Bridge Board and annual governance report for the years 2007-08 and 208-09 for consideration. The reports would be presented to the full Board meeting on 10 February, 2010.</p> <p data-bbox="518 786 1361 1173">Discussion took place around the 2008/09 audit letter and recommendations, which led to wider discussion around internal controls, the need to revise the Service Level Agreements between Hull City Council and the Bridge Board, related party disclosure forms to be completed by all members of the Board and what action should be taken by the Board's constituent authorities with regard to members who refused to disclose an interest. A member suggested there should be a code of conduct for members and sought clarification as whether the Standards Board for England applied to the Board.</p> <p data-bbox="518 1214 1361 1386">The Audit and Business Risk Manager commented that discussion had drifted to governance issues and it had yet to be determined whether these issues would be dealt with by this Committee or the General Purposes and Staffing Committee.</p> <p data-bbox="518 1426 662 1460"><b>Agreed –</b></p> <ul style="list-style-type: none"> <li data-bbox="518 1500 1173 1534">(a) That the auditor's reports be noted, and</li> <li data-bbox="518 1574 1361 1783">(b) that officers investigate the situation with regard to the governance issues raised above and whether the Board falls within the remit of the Standards Board for England, and clarify whether this can be fed into the discussions at the meetings of the General Purposes and Audit Committee on 27 November.</li> </ul>
3980	27	<b>REVIEW OF CONTRACT PROCEDURE RULES –</b> The General Manager and Bridgemaster submitted on behalf of the Clerk a report which provided information to Members of

Minute No.	Report No.	Business
------------	------------	----------

the Audit Committee in relation to a review and update of the Board's Contract Procedure Rules.

The General Manager and Bridgemaster expressed concern regarding the £100,000 limit of his delegated authority and this led to wider discussion. He referred to two contracts that need to be let by 27 November and which he had hoped to take to a General Purposes and Staffing around that date but as they were likely to exceed £100,000 he would now be looking to wait to the next meeting of the Board in February 2010 as to letting those contracts.

The Chairman said that it was necessary to look at the implications of this. If the matter could not be referred to a General Purposes and Staffing Committee it would be necessary to call a meeting of the Urgent Matters Committee if the matter was deemed urgent for the security/safety of the Bridge to let the contract and not lose the funding from the Government.

**Agreed –**

- (a) That the amendments made to the Contract Procedure Rules be noted, and
- (b) that a meeting of the Urgent Matters Committee be called for 27 November to deal with the matter raised above.

3981

**DATES OF MEETINGS** – The Chairman proposed that this Committee should meet six weeks prior to each Board meeting and that the General Purposes and Staffing Committee should meet five or six weeks prior to that to allow officers to deal with items from the Board meetings.

**Agreed –**

- (a) That the Clerk, in consultation with the relevant Chairmen, compile a draft schedule for meetings of the Audit Committee and the General Purposes and Staffing Committee, to be held in conjunction with the meetings of the Board, and report back on the draft timetable to this Committee and the General Purposes and Staffing Committee, and

<b>Minute No.</b>	<b>Report No.</b>	<b>Business</b>
-----------------------	-----------------------	-----------------

- |  |  |  |
|--|--|--|
|  |  | (b) that the next meeting of this Committee be held on 27 November at a time to be determined, following the meetings of the Urgent Matters Committee and General Purposes and Staffing Committee. |
|--|--|--|

12.11.09

UNCONFIRMED