

HUMBER BRIDGE BOARD

31 MAY 2019

PRESENT

Councillor Sean Chaytor (Hull City Council) (in the Chair)
Councillor Richard Hannigan (North Lincolnshire Council)
Councillor Chris Matthews (East Riding of Yorkshire Council)
Councillor Stan Shreeve (North East Lincolnshire Council)
Peter Drenon (Humber LEP)
Lord Haskins (Humber LEP)

IN ATTENDANCE

Councillor Gary McMaster (East Riding of Yorkshire Council)
Caroline Lacey (Chief Executive, East Riding of Yorkshire Council and Interim Clerk to the Board)
Andrew Arundel (AA) (Head of Engineering & Infrastructure, Humber Bridge Board)
Ian Anderson (Town Clerk, Hull City Council)
Peter Holland (Head of Audit and Fraud)
Louise Hawkins (Democratic Services, Hull City Council)

Minute No.	Report No.	Business	Action by
462		APOLOGIES No apologies were received.	
463		DECLARATIONS OF INTEREST No declarations of interest were received in respect of the items that follow below.	
464	255	INTERNAL AUDIT The Interim Clerk submitted a report which set out proposals to re-establish the Board's internal audit service. The Board was informed that an internal audit provision was a requirement of the Standing Orders. The purpose of Internal Audit was to provide assurances to the Board and assist in the preparation and sign off of the accounts and the Annual Governance Statement. The internal audit would focus on income, payroll, accounts payable, contracts, IT systems, main accounting and risk management.	

		<p>The Board discussed the need for a long term financial plan. The Interim Clerk explained that having internal audit arrangements in place would provide an opportunity for assurances to be given around the cash flow projections.</p> <p>Members of the Board suggested that governance and decision making should be included as part of the internal audit. The Interim Clerk explained that the omission of governance from the remit of the internal audit had been deliberate. The Standing Orders were currently being reviewed and once they had been agreed assurance would be required.</p> <p>A query was raised in relation to the 2017/18 audit and that there was no reference to it within the proposed internal audit programme of work. The Head of Audit and Fraud (Hull City Council) explained that it would not be an efficient use of the internal auditor's time to look back at the accounts for 2017/18. The issues had been identified by the external auditor and it was unlikely that the internal audit would identify any issues that had not already been raised.</p> <p>Directors went on to query –</p> <ul style="list-style-type: none"> i. Whether the internal audit needed to undertake any work in relation to the maintenance programme. The Head of Audit and Fraud explained that the internal audit would provide assurance and robustness testing would highlight any issues in relation to the maintenance programme, and ii. When the 2019/20 internal audit programme would come forward. <p>The Board was advised that the timing of the external audit programme had changed it was likely that a meeting would be required in September 2019.</p> <p>Agreed –</p> <ul style="list-style-type: none"> a. That the context for re-establishing a formal internal audit service to the Board be noted and endorsed by the Board; b. That Hull City Council be appointed to undertake a programme of internal audits and provide an audit opinion to support the 2018/19 Annual Governance Statement (AGS); c. That the Charter document (appendix 1) be approved to set out terms of reference for how the service will 	<p>(a-d) Interim Clerk/Head of Audit and Fraud (e) Democratic Services Officer</p>
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		<p>be delivered;</p> <p>d. That the draft Audit Plan, with the inclusion of a reference to the 2017/18 audit, and service protocol document (appendix 2) be approved, and</p> <p>e. That the meeting scheduled to take place in August is replaced by a meeting in late July and an additional meeting takes place in late September.</p> <p>Reasons for Recommendations</p> <ul style="list-style-type: none"> • Following her appointment on 24 April 2019, the Acting Clerk has taken stock of the Board's immediate requirement for an internal audit service as set out in Standing Order 16.1. It is expedient to appoint an internal auditor to undertake a programme of work over the summer, for reasons set out below. • Hull City Council is uniquely placed to undertake this work, due to historical knowledge of the Board's financial affairs and systems of control. The Council is able to release audit staff to undertake the work during June and July, under supervision of an experienced audit manager and the Council's Head of Audit and Fraud, in return for a fee that reflects the cost of backfilling their time from interim resources. Ordinarily, Standing Orders would require this work be subject to quotes, but it is considered unlikely that an alternative provider of equivalent standing could be procured on the required timescale. • Professional auditors in public bodies such as the Humber Bridge Board must deliver their work in line with mandatory Public Sector Internal Audit Standards (PSIAS). Amongst other things, the Standards require an Audit Charter, which provides terms of reference for the service, and an Audit Plan which identifies how resources are expected to be allocated. • Internal audit services are ultimately designed to provide assurance to the Board, therefore it follows that the Board should approve the Charter and the Plan. 	
465	256	<p>STANDING ORDERS</p> <p>The Town Clerk (Hull City Council) submitted a report which outlined a proposal to review the governance arrangements of the Board.</p> <p>The Town Clerk advised that it was not likely that the review would be a whole standing change of the Standing</p>	

Orders. The new format of the Standing Orders would outline all of the relevant legislation and the role of the Directors. The Humber Bridge board was essentially a local authority which was not clearly articulated presently.

A discussion took place around whether the Board required a constitution. The Town Clerk explained that the legislation set out the Board's decision making framework. The new Standing Order would provide more context and understanding in relation to governance and, in effect, would be a constitution.

The revised Standing Orders would ensure there was no ambiguity around the status of the Board and the role of the four local authorities would be clearly defined.

It was suggested that training was provided to the Directors and staff once the new Standing Orders had been agreed and that the Board should consider setting up sub-committees to consider Audit, Remuneration and Health and Safety.

Agreed - that the Board agree to a report being brought forward to the Annual General Meeting of the Board recommending changes to the Board Standing Orders.

Reasons for Recommendation

- The governance arrangements of the Humber Bridge Board are recorded in two acts of Parliament, the Humber Bridge Board Act 1959 (the 1959 Act) and the Humber Bridge Board Act 2013 (the 2013 Act) and a statutory instrument, the Humber Bridge Board (Membership) Order 2012 and Standing Orders developed under the 1959 Act.
- The financial provision related to the construction of the Bridge is articulated in the Humber Bridge Act 1971, the Humber Bridge Act 1973 and the Humber Bridge (Debts) Act 1996.
- The Standing Orders of the Board presently are functional in nature and do not include the detail set out within the 1959 Act and the 2013 Act. Consequently, for the lay reader an understanding of the background and operation of the board is not easily accessible.
- While by reading the legislation alongside Standing Orders the governance arrangements are capable of being understood, the absence of an easily understood accessible document that articulates the governance arrangements creates a risk of misunderstanding.
- Improving the form and layout of standing orders and

		<p>capturing the key elements of the legislation within those standing orders is expected to support both those responsible for the management of the Board and the public to better comprehend its operation.</p>	
466		<p>SAFETY BARRIER FEASIBILITY STUDY</p> <p>The Head of Engineering and Infrastructure provided the Board with an update on the progress of a feasibility study into possible options for a safety barrier at the Humber Bridge.</p> <p>The Board was informed that –</p> <ul style="list-style-type: none"> i. Historic England had requested that the heritage impacts were taken into consideration. It was confirmed that staff at Hull City Council were looking into the heritage of the Bridge, and ii. That it was expected that Stage One of the feasibility study would be completed by August 2019. The budget that had been allocated by the Board would be sufficient. <p>Agreed –</p> <ul style="list-style-type: none"> a. That the update be noted; b. That the local Members of Parliament be provided with the progress and intended activities to be undertaken during Stage 1 of the feasibility study, and c. That Hessle Town Councillors are invited to attend a meeting with the Directors as a follow up to the meeting which had taken place earlier in the year. <p>Reasons for Recommendations</p> <ul style="list-style-type: none"> • To ensure that the local Members of Parliament and Hessle Town Councillors are kept up to date with the progress of the feasibility study. 	(b-c)Head of Engineering and Infrastructure
467	257	<p>NATIONAL LOTTERY HERITAGE FUND (FORMALLY HERITAGE LOTTERY FUND) PROJECT</p> <p>The Interim Clerk submitted a briefing note which provided the Board with an update in the progress of the Hidden Histories project.</p> <p>The Board discussed the following matters –</p> <ul style="list-style-type: none"> i. That there were concerns over the management of 	

		<p>the project;</p> <p>ii. That a film had not yet been produced, and</p> <p>iii. That assurance was required in relation to the project and how the funding was being spent.</p> <p>Agreed -</p> <p>a. That the report be noted, and</p> <p>b. That the project is concluded in line with the funding.</p>	(b) Interim Clerk
468		<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>Agreed - that in accordance with the provisions of the Board's Standing Orders 1.11 and 1.12 the public (including the press) be excluded from the meeting for the following item of business, minute 469, as the nature of business relates to individuals and employees in relation which, in the absence of the application of the Standing Orders, exempt information may otherwise be disclosed and the public interest in making decisions in relation thereto outweighs the public interest in transparency in decision making.</p>	
469		<p>UPDATE FROM INTERIM CLERK AND CHIEF EXECUTIVE</p> <p>The Interim Clerk provided the Directors with an update on staffing and operational issues at the Bridge Board.</p> <p>Agreed – that the update be noted.</p>	