

## Corporate Governance and Audit Committee

Thursday, 9th July, 2015

**PRESENT:** Councillor G Hussain in the Chair

Councillors P Grahame, J Bentley,  
P Harrand, N Dawson, A Sobel,  
J Illingworth and B Flynn

Apologies Councillors R Wood, A McKenna and  
K Bruce and R Wood

### **13 Appeals Against Refusal of Inspection of Documents**

There were no appeals against the refusal of inspection of documents.

### **14 Exempt Information - Possible Exclusion of the Press and Public**

There were no resolutions to exclude the public.

### **15 Late Items**

There were no late items.

### **16 Declaration of Disclosable Pecuniary and Other Interests'**

There were no declarations made.

### **17 Apologies for Absence**

Apologies were received from Councillors K Bruce, A McKenna and R Wood.  
Cllr. B Flynn substituted for Cllr Wood.

### **18 Minutes - 25th June 2015**

Page 1 Item 3 Late Items  
Slight amendment made as there were no late items.

**RESOLVED** – The minutes of the meeting held on 25<sup>th</sup> June 2015 were approved as a correct record.

### **19 Matters arising**

Minute 7 Matters arising

Final minutes approved at the meeting  
held on Friday, 18th September, 2015

Members were informed that KPMG had been contacted to inform them of the Committee's view on non-attendance at the meeting held in March. KPMG had also been made aware of the dates and times of the 2015/16 meetings. Members were assured that KPMG would be present at future meetings. The Committee were also informed that John Prentice the KPMG representative was currently in hospital as he had suffered a heart attack. The Committee asked that best wishes be paid to Mr Prentice for a speedy recovery.

#### Minute 8 LCR annual Financial Return and AGS 2014/15

Members had requested a breakdown of the reasons behind the increase in staffing costs from 2014/15. This information had been emailed to the Committee.

#### Minute 10 Financial Management Arrangements in the Planning and Sustainable Development Service

A request had been made for information to be circulated to Members with a breakdown of the costs of staffing the Planning Service this had been emailed to the Committee.

#### Minute 11 Annual Business Continuity Report: Phase 2 Progress Update

The Head of Governance Services had contacted the Chief Officer (Strategy and Resources) as requested. Members noted the current position.

## **20 KPMG Interim Audit Report**

The Principal Finance Manager presented a report which highlighted the results of KPMG's interim audit work in relation 2014/15 financial statements and their work to support their 2014/15 value for money conclusion up to March 2015.

Rob Walker from KPMG was also in attendance to present KPMG's report and answer Members' questions.

Members requested information for the next meeting in relation to:-

- More information on procedures in place to ensure that officers' access rights in the FMS system are updated if their role changes

**RESOLVED** – Members noted the overall positive assurances provided by KPMG in respect of the work of internal audit and on the systems and controls which underpin the Council's financial statements.

## **21 The Statement of Accounts 2014/15**

The Head of Corporate Finance presented a report of the Deputy Chief Executive. The report presented to the Committee the 2014/15 Statement of Accounts prior to them being made available for public inspection. The Statement of Accounts was included with the agenda as a separate document.

The Principal Finance Manager was also in attendance to answer Members' questions.

In relation to questions posed by Members it was clarified that:

- Directors with authority through the Officer Delegation Scheme, approved Honorariums.
- The information on school reserves related only to LCC schools with there being no requirement for free schools or academies to inform LCC of their accounts.
- Changes in costs for Central Services had occurred due to a reclassification of General Government Grants.
- Trust school buildings are covered by the Council's insurance policies. For VA schools the governing body is responsible for insuring about 10% of the building costs, and the Council for the remaining 90% (as a resort in the event of grant funding being unavailable). The local Catholic Diocese has opted to insure the full value of its school buildings.

Members requested information on Early Leavers Initiative for the 18<sup>th</sup> September meeting.

**RESOLVED** – Members noted the 2014/15 unaudited Statement of Accounts as certified by the Responsible Financial Officer and agreed to release the accounts for public inspection.

## **22 Annual Decision Making Assurance Report**

The Head of Governance Services presented this report with the Head of Licensing and registration, Chief Planning Officer and the Principal Legal Officer in attendance to answer Members questions.

This was the annual report to the committee concerning the Council's decision making arrangements.

This report provided one of the sources of assurance which the Committee is able to take into account when considering the approval of the Annual Governance Statement.

Members were asked to consider the results of monitoring documented within the body of the report and to note the assurances given by the Head of Governance Services, the Head of Licensing and Registration and the Chief Planning Officer, that the decision making framework in place in Leeds City Council is up to date, fit for purpose, effectively communicated and routinely complied with.

Members discussed a number of issues in relation to the report including:-

- Monitoring of planning applications determined and overturned
- Monitoring of complaints and customer satisfaction surveys
- Monitoring of Licensed Hackney Carriage drivers from other authorities who are operating as Private Hire drivers in Leeds.

Members requested further information on:

- An estimate of speed of decision making on planning applications not taking account of agreed extensions of time
- Corporate customer complaints handling
- Improving website and customer feedback

**RESOLVED** - Members considered and noted the positive assurances provided in the report in relation to executive decision making, licensing, planning and the regulation of investigatory powers. Particularly:

A) In relation to executive decision making:-

- The assurances that the Council's Constitution has been reviewed and maintained as an accurate reflection of Council practice and procedure;
- the monitoring which has taken place in relation to publication of agendas and minutes of committee meetings and the publication and call in of Key Decisions;
- the monitoring of the use of officer delegations together with the reporting of one use of special urgency provisions; and
- the steps taken to continue to embed the decision making framework

B) In relation to Regulation of Investigatory Powers Act 2000 (RIPA):

- The appointment and training of authorising officers;
- Steps taken to embed and ensure compliance with guidance and procedure; and
- That there have been no applications for directed surveillance or CHIS authorisations and that there has been no use of the powers to obtain communications data.

C) In relation to licensing:-

- The monitoring of entertainment and miscellaneous licensing decisions;
- The monitoring of taxi and private hire licensing decisions; and
- The procedure adopted for review of the Statement of Licensing Policy for the Gambling Act.

D) In relation to planning:-

- The framework for planning decisions;
- Assurances in relation to officer conflict of interest;
- The monitoring of workload and the improvement in performance around decisions being made in time;
- The monitoring of committee decision making contrary to officer recommendation;
- The ongoing review of appeals and complaints as indicators of quality decision making;
- Ongoing training to ensure planning framework is embedded with both officers and Members; and
- Assurances in relation to steps taken to engage with partners and customers.

## **23 Internal Audit Update Report 1st February to 31st May 2015**

The Head of Internal Audit presented this report to the Committee. The report provided a summary of Internal Audit Activity for the period 1<sup>st</sup> February to 31<sup>st</sup> May 2015, highlighting the incidence of any significant control failings or weaknesses.

The report also contained a summary of completed reviews along with their individual audit opinions,

No significant control issues were identified by Internal Audit in the February to May 2015 Internal Audit Update Report. However, Internal Audit assured Members that follow up audits on reports with limited or no assurance or where the impact has been determined as 'Major' will continue to be undertaken to ensure the revised controls are operating well in practice.

Members requested a List of Purchasing Card users

**RESOLVED** – That the Committee received the Internal Audit February to May 2015 Update Report and noted the work undertaken by Internal Audit during the period covered by the report

## **24 Internal Audit Quality Assurance and Improvement Programme Framework and Internal Audit Charter**

The Head of Internal Audit presented the report of the Deputy Chief Executive which sought approval for the Internal Audit Charter.

Members were also requested to note the Internal Audit Quality Assurance and Improvement Programme (QAIP) Framework as defined by the Public Sector Internal Audit Standards (PSIAS).

**RESOLVED** – The Committee resolved to:

- a) Approve the Internal Audit Charter (Appendix 1 of the submitted report)
- b) Note the Quality Assurance and Improvement Programme Framework (Appendix 2 of the submitted report)

## **25 Internal Audit Annual Report and Opinion 2014/15**

The Head of Internal Audit presented the report of the Deputy Chief Executive which brought to the attention of the Committee the annual Internal Audit opinion and basis of the internal audit assurance for 2014/15.

Members were informed that positive feedback had been received from clients.

Members were also informed that there were 2 areas of non-compliance, for which action plans have been produced to address these areas.

**RESOLVED** – That the Committee received the Internal Audit Annual Report for 2014/15 and noted the opinion given that on the basis of the audit work undertaken during the 2014/15 financial year. In particular:

- That there are no outstanding significant issues arising from the work undertaken by Internal Audit;
- That on the basis of the audit work undertaken during the 2014/15 financial year, the internal control environment (including the key financial systems, risk and governance) is well established and operating effectively in practice;
- That the Internal Audit team conforms with the International Standards for the Professional Practice of Internal Auditing.

## **26 Work Programme**

The Head of Governance Services presented this report on behalf of the City Solicitor which notified Members of the draft work programme for the 2015/16 year.

Members were requested to consider the draft work programme attached at Appendix 1 of the submitted report and determine whether any additional items need to be added to the work programme.

Members were asked to consider and note the provisional dates for the meetings of the Committee in the 2015/16 municipal year. The Committee requested that the clerk check that there are no clashes of commitments for Members.

**RESOLVED** – The Committee resolved to note the contents of the work programme.

## **27 Date and Time of Next Meeting**

The next meeting of the Corporate Audit and Governance Committee will be held on 18<sup>th</sup> September 2015 at 2:00pm.