

Corporate Governance and Audit Committee

Friday, 11th July, 2014

PRESENT: Councillor G Hussain in the Chair
Councillors P Grahame, T Hanley,
E Taylor, J Bentley, J L Carter, J Pryor,
J Cummins and S McKenna

Apologies Councillors R Wood

1 Appeals Against Refusal of Inspection of Documents

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

2 Exempt Information - Possible Exclusion of the Press and Public

There were no resolutions to exclude the public.

3 Late Items

There were no late items.

4 Declaration of Disclosable Pecuniary and Other Interests'

There were no declarations made.

5 Minutes - 9th April 2014

RESOLVED – the minutes of the meeting held on 9th April 2014 were approved as a correct record.

6 Matters Arising

Minute 52 Update 4 - Shared Service Partnership with Calderdale Metropolitan Borough Council to meet Adult Social Care Technology Requirements

Following an earlier briefing to the Chair of the Committee, and at his request, the Chief Officer (Resources and Strategy) was in attendance to update the Committee on the progress of the Shared Service Partnership with Calderdale Metropolitan Borough Council. It was outlined to members that responding to new duties placed upon local authorities by the recently enacted Care Act had resulted in delays to implementation.

Draft minutes to be approved at the meeting
to be held on Friday, 19th September, 2014

The Committee were informed that the Chief Officer (Resources & Strategy) would continue to update the Chair once a decision had been taken on the final implementation plan by DLT in August.

RESOLVED – The Committee resolved that the Chair continue to liaise with Officers with regards to progress in implementing the system, with any further issues of significance being brought to the attention of the committee members in the event that they might arise.

Minute No 64. Mandatory implementation of the DCLG Code of Recommended Practice for Local Authorities on Data Transparency

The Executive Officer (Information Governance) and the Senior Information Governance Officer were in attendance and provided an update on the implementation of the DCLG Code of recommended Practice on data transparency. Members noted that, whilst the provisions did not yet have statutory enforcement, the Council continued to make good progress to meet the requirements of the code.

7 Office of the Director of Public Health Annual Governance Report

The Director of Public Health presented his report which provided the Committee with an annual update on Public Health's Risk management and Governance arrangements, it reported on progress since the last report was presented to members on 8 November 2013.

Members commented on the importance of Public Health services that are either provided or commissioned by the Council, demonstrating value for money. Members requested that a value for money component be more explicitly evidenced in the Director of Public Health's governance framework.

RESOLVED – The Committee resolved to:

- (a) note the annual Governance report of the Office of the Director of Public Health;
- (b) note the assurance that the Office of the Director of Public Health has robust and fit for purpose risk and governance processes in place;
- (c) note that the Office of the Director of Public Health will continue to develop the work undertaken in respect of Serious Untoward Incidents and National Institute for Health and Care Excellence (NICE) guidance compliance; and
- (d) that a value for money component be more explicitly evidenced in the Director of Public Health's governance framework.

8 Annual Audit Fee 2014/15

The Principal Finance Manager presented a report of the Deputy Chief Executive which informed members of the cost of external audit work relating to the 2014/15 financial year.

Members commented that they were happy about a lower fee for completing the external audit work of the Council.

Members considered the difference in fees over the past few years and were informed that the differences were down to a change in the scope of the audit specifically that there was no longer detailed work completed on the value for money conclusion, the impact of the Audit Commission tendering exercise, the abolition of the Audit Commission, the stopping of work on the CPA and the use of resources assessment.

RESOLVED – The Committee resolved to note the external audit fees for work relating to the 2014/15 financial year, as follows:

- £307,800 for the code of Audit Practice audit fee; and
- £22,140 for the certification of grant claims and returns.

9 KPMG Interim Audit Report

The Principal Finance Manager presented a report in line with the audit plan presented to the Committee in January, the report highlighted the results of KPMG's interim audit work in relation to the 2013/14 financial statements and the initial work undertaken to support their 2013/14 Value for Money conclusion.

John Prentice a director of KPMG was in attendance to present KPMG's report and answer Members' questions.

Members requested that any work completed by the Resources and Council Services Scrutiny Board in relation to sickness pay and overtime payments was not duplicated by KPMG.

RESOLVED – The Committee resolved to note:

- (a) The 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; and
- (b) That KPMG have undertaken a data analytics exercise, the findings of which will be reported to this Committee in September.

10 Consultation on Auditor appointment from 2015/16

The Chief Officer (Audit & Investment) presented a report of the Deputy Chief Executive which consulted Members on the Audit Commission's proposal to re-appoint KPMG LLP for a further two years from 2015/16.

Members discussed the possibility that in the future authorities within the Combined Authority might work together to appoint external auditors.

RESOLVED – The Committee resolved to agree that they were satisfied with the current external auditors.

11 The Statement of Accounts 2013/14

The Principal Finance Manager presented a report of the Deputy Chief Executive. The report presented to the Committee the 2013/14 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 for Committee members and is published on the Council's internet site.

The Principal Finance Manager took Members through the accounts and highlighted minor changes that would be made. He also provided comment on the council's debt position and gave assurance that this was manageable.

Also discussed were the level of risk and actuarial assumptions used in determining the pension liability. Members were assured that these assumptions were reviewed for reasonableness and that there was an appropriate level of risk used in calculating the potential liability.

RESOLVED – The Committee resolved to:

- (a) Note the 2013/14 unaudited Statement of Accounts as certified by the Responsible Financial Officer; and
- (b) Agree to release the accounts for public inspection.

12 Annual Assurance Report on Risk & Performance Management

The Principal Risk Management Officer presented a report of the Deputy Chief Executive. The report provided the Committee with assurances on the strength of the Council's risk and performance management arrangements and is an important source of evidence for the Annual Governance Statement due to be considered by the Committee in September. It also enabled the Committee to fulfil its role under the Council's Risk Management Policy and the Committee's own Terms of Reference for reviewing the 'adequacy of the Council's Corporate Governance arrangements (including matters such as internal control and risk management)'.

RESOLVED – The Committee resolved to note the assurances contained within the submitted report which in summary were:

- That the Council's risk and performance management arrangements have been further developed, improved and updated during 2013/14; and
- That compliance with the performance management framework is good with further work planned in 2014/15 to update the Risk Management Policy and supporting arrangements.

13 Decision Making Framework: Annual Assurance Report

The Principal Corporate Governance Officer presented a report of the City Solicitor, Assistant Chief Executive (Citizens and Communities) and Chief Planning Officer. This was the annual report to the committee concerning the Council's decision making arrangements.

The report provided one of the sources of assurance which the Committee will be 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 this 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 within Leeds City Council is up to date, fit for purpose, effectively communicated and routinely complied with.

Also in attendance to answer Members' questions were the Head of Planning Services and the Head of Licensing and Registration.

In discussing the report it was confirmed to members that there was no requirement for officers declarations to be made publicly available. Members requested that this be looked into due to the large numbers of delegated powers given to officers.

RESOLVED – The Committee resolved to:

(a) Note the positive assurances provided in this report in relation to executive decision making, licensing, planning and the regulation of investigatory powers. Particularly: In relation to executive decision making:-

- 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 assurances given in relation to the use of special urgency provisions, and
- that there have been no Key Decisions which have not been treated as such; and the steps taken to continue to embed the decision making framework;

(b) In relation to Regulation of Investigatory Powers Act 2000 (RIPA):- note the monitoring and reduction in use of RIPA powers.

(c) In relation to licensing to note:-

- The monitoring of decisions in relation to entertainment and miscellaneous licensing and the introduction of responsibility under the Scrap Metal Dealers Act 2013;
- The monitoring of taxi and private hire licensing;
- The ongoing review of licensing policy; and
- The introduction of three yearly DBS disclosures for licence holders.

(d) In relation to planning to note:-

- The sub-delegation of planning decisions;
- The assurance from internal audit in relation to the robustness of system in place to determine planning applications;
- The ongoing work in relation to declaration of officer interests;
- The review of the work of plans panels and the protocol in place to guide their Members;
- The Monitoring of planning workloads and performance in relation to statutory timescales including the use of agreed extensions of time;
- The Monitoring of decisions against officer recommendation, appeals and complaints;
- The steps taken to continue to embed the framework for planning matters; and
- The ongoing work to build and develop relationships with partners and customers

(e) request that a report be written exploring the possibility of officers with delegated powers making declarations publicly available;

(f) request that the cost of running the planning service and the fees received for planning applications be circulated to members of the committee

14 Internal Audit Annual Report and Opinion 2013/14

The Chief Officer (Audit and Investment) presented his report which brought to the attention of the Committee the annual Internal Audit opinion and basis of the internal audit assurance for 2013/14.

RESOLVED – The Committee resolved to:

(a) receive the Internal Audit Annual Report for 2013/14 and note the opinion given that on the basis of the audit work undertaken during the 2013/14 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 2013/14 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 on Internal Auditing.

15 Work Programme

The City Solicitor submitted a report which notified Members of the Committee of the draft work programme.

RESOLVED - The Committee Resolved to note the contents of the work programme.