

Corporate Governance and Audit Committee

Monday, 27th February, 2012

PRESENT: Councillor G Driver in the Chair
Councillors N Taggart, C Campbell,
G Kirkland, Tollefson, J Elliott, W Hyde,
T Hanley, C Fox and G Hussain

Co-optee Mr G Tollefson

Apologies Councillors P Grahame and A Lowe

73 Appeals Against Refusal of Inspection of Documents

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

74 Exempt Information - Possible Exclusion of the Press and Public

There were no exemptions to exclude the public.

75 Late Items

There were no late items submitted to the agenda for consideration.

76 Declaration of Interests

There were no declarations made at this part or any other part of the meeting.

77 Apologies For Absence

Apologies for absence were received from Councillors A Lowe and P Grahame.

78 Minutes of the Previous Meeting

The minutes of the Corporate Governance and Audit Committee held on 23rd January 2012 were approved as a correct record.

79 Chair's Remarks

The Chair updated the Committee on February's Core Cities Audit Chair's meeting and highlighted the importance of the Core City authorities working with one another, learning from one another and, in the present circumstances, making a joint approach to the DCLG to ensure that any

changes it seeks to make in our audit arrangements are of the highest possible quality and make the best use of the resources available to us. . . Members' attention was drawn to a newsletter has been produced to highlight key issues which is being circulated to the Audit Committees of all eight Core City authorities.

The Chair invited the Chief Officer (Audit and Risk) to provide further details on the DCLG's latest proposals for the audit of local authorities. The Committee were informed discussions are ongoing regarding the possibility of Core Cities forming a panel from their own Audit Committee members who might act as independent external members in the appointment of external auditors to authorities other than their own, thus minimising costs and making maximum use of the specialist knowledge and understanding of the financial systems of big-city authorities. Audit Committee Chairs are to meet again to discuss this option.

80 Transforming Procurement Programme Position Statement

The Chair welcomed this important and timely paper and invited the Senior Executive Manager (Project and Technical Management) to present the report of the Chief Officer (PPPU and Procurement). The report informed the Committee of progress made with respect to the Transforming Procurement Programme and described the systematic approach being taken to ensure that procurement practice across the Council can achieve the highest possible standards.

Members sought assurances in respect of the current procurement procedures and the extent to which they are fit for purpose.

While recognising the ever-present need to maximise value-for-money, members highlighted the importance of the Council's purchasing power in achieving wider social benefits, particularly in how the local economy and local employment can be supported. Members urged officers to examine all available methods whereby businesses of all sorts and sizes local to Leeds could be supported and encouraged to tender for Leeds City Council contracts.

Members asked that further awareness training on procurement be arranged for Members and that regular progress reports be brought to this Committee with regards to the transformation of procurement.

RESOLVED – The Committee resolved to:

- (a) note the contents of the report;
- (b) request a training session take place for all Councillors on procurement activities; and
- (c) request regular reports updating the Committee on the transformation of procurement.

(Councillor N Taggart entered the meeting during discussion of this item at 2:36pm)

81 Procurement Policies and Procedures

The Procurement, Governance and Regulations Manager presented a report of the Director of Resources. The report informed the Committee of the procurement policies and procedures that are in place at the Council and whether these are fit for purpose.

Members sought assurance in respect of the extent to which off contract spend is being managed and endeavours made to ensure value for money is achieved.

Members also challenged the risks to the City Council and to Members should there be a failure to comply with Contract Procedure Rules. Members were informed by the Chief Officer (Audit and Risk) that non compliance with Contract Procedure Rules was a risk featured on the Resources Directorate risk register, and as such was regularly reviewed.

Members stressed the importance of continuing to monitor compliance with Contract Procedure Rules and requested that regular reports be submitted to this Committee.

RESOLVED – The Committee resolved to:

- (a) note the contents of the report; and
- (b) request regular update reports on developments in monitoring compliance with Contract Procedure Rules.

82 DCLG Code of Recommended Practice for Council Transparency

The Chief Officer (Financial Management) presented a report of the Director of Resources. The report set out what information was currently published by the Council in relation to the DCLG Code of Recommended Practice for Council Transparency. The report also informed the Committee of what steps are being taken to move to full compliance with the code.

Members considered the report and discussed what requests for information were being received by the Council and whether compliance with the Code of Recommended Practice might lead to a reduction in the number of Freedom of Information requests dealt with by the Council.

RESOLVED – The Committee resolved to note:

- (a) the new Code of Recommended Practice for Council Transparency;
and

(b) the Council's progress towards implementing the requirements of the code.

83 KPMG External Audit Plan 2011/12

The Principal Financial Manager presented a report of the Director of Resources which informed the Committee of KPMG's audit plan for the audit of the Council's accounts and Value for Money arrangements. The attached KPMG report at Appendix 1 highlighted the risk based approach to the audit and the main risks identified by KPMG for 2011/12. The report also provided the Committee with a summary of the action undertaken.

Steve Clark and Heather Garrett of KPMG were in attendance for this item.

RESOLVED – The Committee resolved to:

- (a) agree the external audit plan; and
- (b) note the action taken by officers to manage the risks identified.

84 KPMG Certification of grants and returns 2010/11

The Principal Financial Manager presented a report of the Director of Resources. The report informed the Committee on the result of the work KPMG have carried out on the certification of grant claims in respect of 2010/11.

Members discussed the report and considered the reasons why some claims had been qualified and others required audit adjustments.

RESOLVED – The Committee resolve to note the results of the 2010/11 audit of grants and returns.

85 Work Programme

The Director of Resources submitted a report notifying Members of the Work Programme.

The Committee reviewed its forthcoming work programme and were informed of changes made to the work programme which have been made since the last meeting, to ensure that it is aligned to the Annual Governance Statement.

The Committee also noted the work that is ongoing to compare its work programme with the work programmes of the other Core Cities.

RESOLVED - The Committee resolved to note the work programme.