

Corporate Governance and Audit Committee

Monday, 22nd April, 2013

PRESENT: Councillor T Murray in the Chair
Councillors P Grahame, J Elliott, T Hanley,
E Taylor, J Illingworth and J Bentley

Apologies Councillors G Hussain

53 Appeals Against Refusal of Inspection of Documents

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

54 Exempt Information - Possible Exclusion of the Press and Public

There were no resolutions to exclude the public.

55 Late Items

There were no late items.

56 Declaration of Disclosable Pecuniary and Other Interests'

There were no declarations made.

57 Apologies for Absence

Apologies for absence were received from Councillor G Hussain.

58 Minutes - 19th March 2013

RESOLVED – That the minutes of the meeting held on 19th March 2013 be confirmed as a correct record.

59 Matters Arising

Minute No. 46 Annual Audit Plan

The Committee were informed that the Audit Commission had reduced last year's audit fee by £27,200 and had now returned this to the Council. A similar rebate will be made for the 2013/14 audit.

Members re-iterated their feelings that it was a key priority to ensure that young people in Leeds are given every opportunity to take up employment and that outsourcing of KPMG work to India had an impact on this priority.

RESOLVED – The Committee resolved that arrangements be made for the outcome of the Chair's discussions with KPMG representative's (on Thursday 25th April 2013) to be relayed to the next meeting of the Committee.

Minutes approved as a correct record at the meeting
to be held on 10th July 2013

60 Calderdale Shared Services Agreement

The Chief Officer (Resources and Strategy) presented a report of the Director of Adult Social Services providing the Committee with both an update on progress and an assurance that the shared services agreement with Calderdale Metropolitan Borough Council is operating as intended. It was confirmed to the Committee that implementation would take place in April 2014.

The Senior Project Manager (ICT Services) was also in attendance to answer questions from Members.

Members discussed the report in detail. Specific discussion took place the matching of data contained in the current system with fields within the new one, the timely transfer of that data, and the testing that would take of data before the implementation date. Officers present confirmed that this work is included in the project plan and is on track to be completed before the implementation date.

Security of the data being migrated was also considered by the Committee. Members sought and received assurance that this was being implemented carefully and in accordance with proper practices associated with this type of project.

Members also wished to know whether all the recommendations following the Call In of the Executive Board decision had been implemented and whether Leeds would receive the same service that Calderdale receives. Officers confirmed that recommendations had been implemented and that as part of the Service Level Agreement in place between Leeds and Calderdale, Leeds will receive the same service and same level of technical support.

RESOLVED – The Committee resolved to:

- (a) Note the contents of the report; and
- (b) Receive a further update report in 3 months time.

61 Business Continuity Management Arrangements for LCC's Most Critical Services.

The Business Continuity Programme Manager presented a report of the Director of Resources. The report provided the Committee with assurance on the adequacy of business continuity management arrangements for the Council's most critical services.

Members confirmed with the officer present that test runs of potential major disasters are completed.

Members were concerned that there are a number of services deemed business critical which do not currently have Business Continuity Plans in place. The committee asked that these concerns be escalated to the Director of Resources.

RESOLVED - The Committee resolved to:

- (a) note that the business continuity management arrangements that are currently in place to meet the statutory duties required of the Civil Contingencies Act 2004;
- (b) Request a further report to the next meeting of the Committee to provide an update on the progress made in completing the outstanding Business Continuity Plans;
- (c) Note the information and receive an annual update detailing progress and achievements in 2014; and
- (d) Request that the Chief Officer (Audit & Risk) relay the Committees concerns about Business Continuity Plans currently not all being in place for business critical services to the Director of Resources.

62 Annual Information Security Report

The Chief Officer (Intelligence and Performance) presented a report of the Assistant Chief Executive (Customer Access and Performance). The report was the annual report on the steps being taken to improve the Council's information security in order to provide assurance for the annual governance statement.

The Executive Officer (Information Governance) and the Assistant Solutions Architect (ICT Services) were also in attendance to help answer questions from Members.

Members commented that security measures in place often make it difficult to perform simple IT tasks, specifically in terms of access to equipment and transferring legitimate information. Members were informed that the Government Protective Marking Scheme was intended to be adopted and that this would automatically label documents and make sharing sensitive information with citizens and other agencies less onerous.

Members also highlighted the difficulties of information of public interest that is subject to copyright and, which, as a consequence, may not be freely circulated in the public domain.

RESOLVED – The Committee resolved to note the contents of the report.

63 Capital Programme Approvals Framework

Minutes approved as a correct record at the meeting to be held on 10th July 2013

The Chief Officer (Financial Development) presented a report of the Director of Resources. The report provided the Committee with an update following changes to the capital programme approvals frameworks which were introduced in April 2012. The report also proposed further changes to the Capital Programme Approvals Framework

In summary the changes in 2012 included:

- Directors to be allowed to give authority to Spend on Capital schemes up to £500k;
- The delegated limit for the Director of Resources to make an injection to the capital programme, funded by the Council, was increased from £100k to £250k;
- Injections to the capital programme funded by borrowing – the process was changed to allow the Director of Resources to approve injections to the capital programme funded by borrowing, up to £500k, for the following types of schemes:
 1. Vehicle and equipment replacement;
 2. Demolition of property;
 3. Asbestos removal and other health and safety works;
 4. Energy Efficiency projects (where capital investment is funded by savings on energy costs); and
 5. Any other spend to save/operate where a business case has been approved.
- the delegated limit of £100k for Directors to inject ring fenced grants to the capital programme was removed giving Directors full delegation; and
- for schemes exceeding £500k, authority to tender was previously approved by the Director of Resources. Full delegation was given to Service Directors from April 2012.

In summary the proposed changes for 2013 included:

- a new approach to presenting capital programme resources;
- All capital programme management staff to be brought together within the Financial Development division of the Resources Directorate;
- Funding approval checks will only remain for reports being scheduled for Executive Board, to ensure that Executive Board reports are accurate; and
- Chief Officer Approval to be removed, considering that Director have sought the professional advice they need and are fully accountable for the award of capital contracts.

The Principal Finance Manager (Financial Development) was in attendance to help answer Members' questions.

Members discussed how the new process fits in with the 'Calling In' of decisions. Further Members considered it important that Members be made aware of decisions being taken at the earliest opportunity.

RESOLVED – The Committee resolved to:

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- (a) Note the impact of the changes made to the Capital Approvals process in April 2012 which were detailed within the report;
- (b) Note the structural improvements which have been made; and
- (c) Support the new changes to the process as set out in the report.

64 Work Programme

The Director of Resources submitted a report notifying members of the work programme.

The Committee reviewed its forthcoming work programme.

RESOLVED – The Committee resolved to note the forthcoming reports.