

## Corporate Governance and Audit Committee

Friday, 20th September, 2013

**PRESENT:** Councillor G Hussain in the Chair  
Councillors P Grahame, C Gruen (As substitute for N Taggart) T Hanley, C Fox, R Wood, E Taylor, J Illingworth, J Bentley and J Hardy

Apologies Councillors N Taggart

### 15 Appeals Against Refusal of Inspection of Documents

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

### 16 Exempt Information - Possible Exclusion of the Press and Public

There were no resolutions to exclude the public.

### 17 Late Items

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

### 18 Declaration of Disclosable Pecuniary and Other Interests'

No declarations were made.

### 19 Apologies for Absence

Apologies for absence were received from Councillor Taggart. Councillor C Gruen was in attendance as substitute for Councillor Taggart.

### 20 Minutes - 10th July 2013

**RESOLVED** – That the minutes of the meeting held on 10<sup>th</sup> July 2013 be approved as a correct record.

### 21 Matters Arising

Minute No. 9 – Update Regarding Progress With the Development of Business Continuity Plans for LCC's Most Critical Services.

The Head of Governance Services provided the Committee with an update with regards to the completion of Business Continuity Plans. It was reported that 10 plans were currently outstanding. The Committee were also informed that the Chief Executive has written to individual service managers to ensure all plans are completed by the end of September as requested by the Committee.

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

The City Solicitor submitted the annual report concerning the Council's decision making arrangements. The report brought together arrangements for planning and licensing matters together with decisions taken by the Executive Board and officers under their delegations from the Leader.

In presenting the report the Head of Governance Services commented on:

- the performance management arrangements that are in place;
- the positive contributions from the Scrutiny Board (Resources and Council Services) in aligning procurement processes with the decision making framework;
- the fact that special urgency provisions have not been used for key decisions during the last 12 month period.

A Member queried whether performance measures were in place to monitor reports submitted to Executive Board for decision which are subsequently withdrawn. The Head of Governance Services informed the committee that no such measures are in place and clarified that performance measures have been established solely to monitor compliance with the statutory responsibilities of the authority.

Also in attendance to answer any questions by Members were The Chief Planning Officer and the Head of Licensing and Registration.

With regards to the licensing aspect of the report Members commented on:

- The importance of all investigations relating to licensing being undertaken following internal protocols which adhere to legislation; and
- The numbers of applications both in terms of new applications and renewal. Members also discussed the reasons for licences being suspended and how they are resolved.

With regards to the planning aspect of the report Members gave consideration to:

- The usefulness of Members shadowing planning officers to help gain an understanding of how the planning service operates;
- The pressures faced by planning services in terms of balancing the demand for houses to be built and the concerns of residents effected by housing developments; furthermore the need to reduce the amount of appeals against decisions which are costly to defend;
- The desire for the involvement of Members and the community as early on in the planning process as possible and the need for improved access to planning officers and advice for Members;
- The importance of taking public health into account during the planning process for new housing developments; and

- The increasing workload faced by planning officers balanced against the budgetary pressures faced by the planning department.

**RESOLVED** – That the positive assurances provided in this report be noted.

## **23 Annual Assurance Report on Risk & Performance Management**

The Deputy Chief Executive submitted a report providing the Committee with assurances on the strength of the Council's risk and performance management arrangements.

The Principal Risk Management Officer was in attendance to answer Members questions.

Members considered the report and discussed the recent transfer of Public Health Services to LCC and what work had been done to consider the risks of delivering these new services. The Committee were informed that Public Health had had their own risk management arrangements in place prior to the transfer and now work is on-going to establish a new risk register for the service in line with the Council's Risk Management Framework. As part of the Clinical Governance assurance report, due to be heard by the Committee in November, Members requested that risk management arrangements be addressed within this.

Members commented that the quarterly performance management reports to Scrutiny Boards could be improved to make them simpler to understand. It was noted by the Committee that work is underway to address this through the performance management review: the corporate Risk & Performance team has recently met with the Scrutiny Chairs who requested a range of report options be presented to them.

**RESOLVED** – That the assurances provided be noted.

## **24 Annual Financial Management Report (Incorporating Capital)**

The Deputy Chief Executive submitted a report which outlined the key systems and procedures which are in place to deliver such arrangements whilst ensuring the maintenance of adequate reserves. The report covered in detail the key components of the Council's financial management arrangements and aimed to give the Committee assurance that these systems and procedures are fit for purpose, up to date, embedded and being complied with.

The Chief Officer (Financial Services) was in attendance to present this report and respond to any questions from Members.

Members discussed the report in detail initially focussing on the funding arrangements in place for the Leeds City Region and how this effects the financial management of the Council.

Financial planning was discussed with officers specifically with regards to the possibility of future budget cuts and how these would be managed by the authority.

Members stressed the importance of ensuring that any potential risks or budgetary difficulties be identified at the earliest opportunity through regular monitoring.

Members noted the difficulties in funding services such as adult social care due to the difficulties of predicting the level of service demand. Officers present commented that in circumstances like this must be made based on the best information available assumptions.

**RESOLVED** - Note the assurances provided that the appropriate systems and procedures are in place to ensure that the Council delivers sound financial management and planning.

## **25 Internal Audit Report**

The Deputy Chief Executive submitted a report providing a summary of Internal Audit activity for the period 1st July to 31st August 2013 and highlighted the incidence of any significant control failings or weaknesses.

The Head of Internal Audit was in attendance to answer any questions from Members.

Members discussed credit card charges on transactions made with the Council whether these could be reduced by negotiation with the bank and credit card companies.

Also considered was the closure of the ALMOs and transfer of their services back to the Council and the audit coverage that will take place following this.

Discussion took place on leaving care payments and the perceived gap in policy and guidance for staff in this area. Members requested assurance that young people were no losing out because of any lack of policy or guidance.

**RESOLVED** – That the work undertaken by Internal Audit during the period covered by the report be noted.

(Councillors P Graham and T Hanley left the meeting at 3:40pm during discussion of this item.)

## **26 Report on the Local Government Ombudsman's Annual Review Letter 2012/13**

The Chief Officer (Access and Performance) submitted a report which discussed the Local Government Ombudsman's Annual Review Letter. It also

summarised the Council's complaints and LGO cases for the period 1 April 2012 to 31 March 2013 and assessed the overall effectiveness of the Council's approach to complaints.

The Executive Officer Client and Customer Relations was in attendance to present the report and answer any questions from Members.

Members noted that the Ombudsman's report was not as detailed in previous years and that greater reliance was being placed on the complaints analysis undertaken by customer relations staff.

Discussion took place on the effect the absorption of the ALMOs into the council might have on complaints with the hope that there will be a reduction.

The large number of compliments received about council staff was noted by the Committee.

**RESOLVED** – That the supporting information providing external assurance as to the effectiveness of the Council's approach to complaints be noted.

## **27 Audited Statement of Accounts and the Value for Money Assessment 2012/13**

The Principal Finance Manager presented a report The Deputy Chief Executive which required the Committee to approve the Council's final audited Statement of Accounts and consider any material amendments recommended by the auditors.

Mike McDonagh and Heather Garrett from KPMG were in attendance to discuss the report and answer Members questions.

The report was welcomed by the Committee and Members congratulated financial management staff for their work in compiling the accounts.

**RESOLVED –**

- (a) That the Committee Receive the report of the Council's external auditors on the 2012/13 accounts and note that there are no audit amendments required to the Accounts;
- (b) That the final audited 2012/13 Statement of Accounts be approved and that the Chair acknowledge the approval on behalf of the Committee by signing the appropriate section within the Statement of Responsibilities on page 1 of the accounts;
- (c) That on the basis of assurances received, the Chair is asked to sign the management representation letter on behalf of the Corporate Governance and Audit Committee; and
- (d) That KPMG's VFM conclusion that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources be noted.

## **28 Annual Governance Statement**

Final minutes approved as a correct record at the meeting held on Friday, 8th November, 2013

The City Solicitor submitted a report presenting the Annual Governance Statement.

The Head of Governance Services was in attendance to present the report and answer Members' questions.

Members considered the review of effectiveness of the council's governance arrangements and the assurances received from lead officers, particularly those from Internal Audit and from the council's appointed auditors KPMG.

**RESOLVED –**

- (a) That The Committee approve the attached Annual Governance Statement; and
- (b) That the Leader of Council, Chair of Corporate Governance and Audit Committee, Chief Executive and Director of Resources be recommended to sign the document on behalf of the Council.

**29 Work Programme**

The City Solicitor 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.