

## Corporate Governance and Audit Committee

Wednesday, 18th June, 2008

**PRESENT:** Councillor J Bale in the Chair

Councillors D Blackburn, G Driver, J Elliott,  
P Grahame, G Latty, N Taggart and  
C Campbell

**Co-optee** Mr M Wilkinson

**1 Chair's Opening Remarks**

The Chair welcomed all in attendance to the first Corporate Governance and Audit Committee meeting of the new municipal year, and invited everyone present to introduce themselves.

**2 Appeals Against Refusal of Inspection of Documents**

There were no appeals against refusal of inspection of documents.

**3 Exempt Information - Possible Exclusion of the Press and Public**

There were no resolutions to exclude the public.

**4 Late Items**

There were no late items of business, however, a revised version of the report entitled, 'Leeds City Council Programme and Project Management Arrangements' was circulated prior to the meeting for consideration at agenda item 10 (Minute No. 11 refers).

**5 Declaration of Interests**

No declarations of interest were made at the meeting.

**6 Apologies for Absence**

Apologies for absence from the meeting were received on behalf of Councillors Iqbal and Kirkland.

**7 Minutes of the Previous Meeting**

**RESOLVED** – That the minutes of the Corporate Governance and Audit Committee meeting held on the 14<sup>th</sup> May 2008 be approved as a correct record, subject to Mr M Wilkinson's apologies for absence being added to Minute No. 119.

(Councillor N Taggart arrived at 10.15 a.m., during the consideration of this item)

## **8 Standards Committee Minutes**

The Committee was updated on several issues detailed within the minutes of the meeting held on 14<sup>th</sup> April 2008, particularly in relation to the appointment of a new independent member to the Standards Committee and the results of the consultation exercise on the addition of local provisions to the Members' Code of Conduct.

**RESOLVED** – That the minutes of the Standards Committee meeting held on 14<sup>th</sup> April 2008 be noted.

## **9 Corporate Governance and Audit Committee Terms of Reference**

The Committee received a report of the Assistant Chief Executive (Corporate Governance) inviting Members to note the revised Terms of Reference for the Corporate Governance and Audit Committee, which were approved by full Council at its annual meeting on 22<sup>nd</sup> May 2008.

Members noted that the key revision to the terms of reference was that the Committee could no longer consider proposals to amend the Constitution and make recommendations on such matters to full Council, as this was now a function of the newly established Constitutional Proposals Committee.

**RESOLVED** – That the revised Terms of Reference for the Corporate Governance and Audit Committee, as appended to the report, be noted.

## **10 Annual Internal Audit Report**

The Committee received a report of the Director of Resources highlighting those issues raised by Internal Audit with regard to the Annual Report for 2007/08. The report also sought the Committee's approval of the Internal Audit Plan for 2008/09. Both documents were appended to the report for Members' consideration.

Having received a brief summary of the two documents, the Committee particularly discussed the following issues:

- The level of resource used by Internal Audit to produce the annual report, and the performance of Internal Audit in terms of the service it provided, when compared to other local authorities;
- The frequency in which control environments and compliance were graded as having 'full' audit assurances, and the reasons why such grades were rarely achieved;
- The processes used to ensure that malpractice was identified and addressed, the extent to which managers had a duty to report such cases of malpractice to Internal Audit, and the nature of those cases which had been reported in the past;
- The relationship which existed between Internal Audit and wholly owned subsidiaries, such as Arms Length Management Organisations, and the extent to which Internal Audit continued to provide audit coverage to such bodies;
- The flexibility of the service provided by Internal Audit, and the level of contingency time which was set aside to address any unforeseen issues which arose during the course of the year;

- The need to ensure constitutional provisions were clear in relation to the sale of land;
- The need for transparent monitoring of Section 106 and Section 278 agreements;
- The actions taken to ensure that in those cases where only 'moderate' audit assurances could be given for both the control environment and compliance, a greater level of assurance would be achieved in the future;
- The problem of 'phantom tenants' in Leeds City Council Social Housing stock.

The Committee proposed that a sample number of the audit reports produced by Internal Audit which were of particular significance to the Committee could be submitted to future meetings for consideration.

**RESOLVED -**

- (a). That the Annual Internal Audit Report for 2007/08 be noted;
- (b). That the Annual Internal Audit Plan for 2008/09 be approved;
- (c). That the following matters raised by Members during the consideration of this item be incorporated into the Committee's work programme:
  - Arrangements in place for Section 106 and Section 278 agreements;
  - Arrangements to identify 'phantom tenancies' in Leeds City Council Social Housing stock;
  - Presentation of sample Internal Audit reports.

**11 Report on Leeds City Council Programme and Project Management Arrangements**

Members received a report of the Director of Resources providing an annual update on the ongoing implementation of a consistent corporate approach to portfolio, programme and project management (PPPM) by the Delivering Successful Change (DSC) project. In addition, the report also provided an annual review of the current adequacy of the Council's PPPM arrangements from the perspective of the Project Assurance Unit (PAU), a body which provided independent assurance to business change initiatives across the authority.

The Committee received an update on the work undertaken by the DSC project, which included the programmes and projects directorate survey. It was then proposed that Member workshops could be established in order to provide the Committee with further, more detailed information on the work of, and the methods used by the DSC project.

Members highlighted the apparent reluctance of some organisations to adopt the DSC approach, and briefly discussed how such attitudes could be addressed.

**RESOLVED -**

- (a) That the report and the work of both the Delivering Successful Change project and the Project Assurance Unit be noted;

- (b). That a further report from the Chief Officer (Audit and Risk) be submitted to a future meeting of the Committee which provides a more detailed analysis of the DSC's Programmes and Projects survey findings;
- (c). That a workshop be scheduled for Committee Members to consider project case studies which have used the DSC methodology.

## **12 Standards Committee Annual Report 2007/2008**

The Committee received a report of the Assistant Chief Executive (Corporate Governance) presenting for Members' consideration the 2007/08 Annual Report of the Standards Committee.

Having received a summary of the report from the Chair of the Standards Committee, Members were advised that in considering the annual report, this should provide the Committee with some assurances, when they came to sign off the Annual Governance Statement later in the month.

Members particularly discussed the following issues:

- The evolving role of the Standards Committee in relation to the conduct of Parish and Town Councils in Leeds;
- The timescales involved in the processing of a complaint against an Elected Member, the impact that such timescales could have on the individuals concerned, and the proposals which had been made in relation to establishing a process which would ensure the swift turn around of such complaints.

**RESOLVED** - That the Standards Committee Annual Report for 2007/08 be noted.

## **13 Member Development - Annual Report 2007/2008**

The Committee received a report of the Assistant Chief Executive (Corporate Governance) presenting for Members' consideration the 2007/08 Annual Report for Member Development. The report highlighted the key achievements from 2007/08 and outlined the proposed work programme for the forthcoming municipal year.

Members particularly discussed the following issues:

- The level of Member attendance at the Members' Casework Roadshow;
- Members' attitudes towards the Scrutiny process and the possibility of Scrutiny Chairs attending a Select Committee meeting;
- The need to ensure that Members received regular refresher courses in certain areas, in order to keep abreast of any changes to procedure or legislation;
- The actions which were taken to increase Member attendance at the training provided.

In conclusion, it was proposed that the Committee received an update on the delivery of Member Development later in the municipal year.

**RESOLVED** -

(a) That the Member Development Annual Report for 2007/08 be noted;

(b). That an update on the delivery of Member Development be submitted to the Committee later in the municipal year.

#### **14 Local Government Ombudsman Performance Report**

Members received a report of the Corporate Customer Relations Manager providing for Members' information details of the Council's performance in relation to complaints received from the Local Government Ombudsman for the period 1<sup>st</sup> January to 30<sup>th</sup> April 2008. The report also updated the Committee on recent legislative changes, and the change in procedure to the ways in which the Local Government Ombudsman received complaints.

Members particularly discussed the following:

- The potential implications arising from the introduction of the Local Government and Public Involvement in Health Act 2007, particularly in relation to the areas which could now be investigated by the Local Government Ombudsman;
- The limited timescales that the local authority had to respond to enquiries of the Local Government Ombudsman;
- The methods used to determine the extent to which compensation was allocated following an investigation by the Ombudsman;
- With regard to those organisations in which the Council had entered into a partnership arrangement, the extent to which the local authority was accountable for the outcomes delivered by such organisations.

In conclusion, Members discussed the possibility of increased interaction between the respective Chairs of the Standards Committee and the Corporate Governance and Audit Committee on the issues which had been raised, and it was proposed that further consideration could be given to such issues when the Local Government Ombudsman's Annual Letter was submitted to the Committee later in the municipal year.

**RESOLVED** – That the contents of the report be noted.

#### **15 Work Programme**

Members received a report of the Assistant Chief Executive (Corporate Governance) presenting the Committee's work programme for the remainder of the current municipal year.

Having acknowledged the Committee's considerable workload for the coming year, Members discussed the extent to which they could add or remove items from the work programme.

Following a proposal to split the Committee's September meeting into two separate sessions, in order to ensure that the workload for that cycle was manageable, Members were advised that the Chair and Members of the Committee would be canvassed for their availability on any proposed arrangements for the meetings.

**RESOLVED** – That the Committee's work programme for the remainder of the 2008/09 municipal year be noted.