

## **Corporate Governance and Audit Committee**

**Tuesday, 30th June, 2009**

**PRESENT:** Councillor J Bale in the Chair  
Councillors M Wilkinson, D Blackburn,  
G Driver, P Grahame, G Latty, C Campbell,  
G Kirkland, T Leadley, G Hyde and J Lewis

**Co-optee**  
Mr M Wilkinson

Apologies Councillors N Taggart and A Lowe

### **1 Appeals Against Refusal of Inspection of Documents**

There were no appeals against 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**

In accordance with his powers under Section 100B(4)(b) of the Local Government Act 1972, the Chair admitted to the agenda the Corporate Governance Statement 2009, which was to be considered at agenda item 11 (Minute 12 refers).

The Corporate Governance Statement was unavailable at the time of the agenda dispatch, and was required to be approved at this meeting as it will be contained within the Statement of Accounts 2008/09, which required approval by 30<sup>th</sup> June 2009.

### **4 Declaration of Interests**

There were no declarations made at this point, however a declaration of interest was made at a later point in the meeting (Minute 13 refers).

### **5 Apologies for Absence**

Apologies for absence were received on behalf of Councillors Lowe and Taggart. The Chair welcomed Councillor Leadley as a new member of the Committee for 2009/10, and Councillors Hyde and J Lewis who were in attendance as substitute members.

## **6 Minutes of the Previous Meeting**

The minutes of the Corporate Governance and Audit Committee meeting held on 12<sup>th</sup> May 2009 were approved as a correct record.

## **7 Matters Arising**

Further to Minute 140, an update was provided regarding the progress made in addressing the resolutions of this item. In relation to Minute 140(c), Members were informed that the Chair had written to senior officers and Councillor Brett (as Chair of Executive Board) regarding the Committee's concerns, and that a response had been received from Councillor Brett which assured the Committee that he would help to ensure that the recommendations of the internal audit report are implemented, and that he would continue to monitor progress on the action plan with the Assistant Chief Executive (Corporate Governance).

The Assistant Chief Executive (Corporate Governance) informed Members that in relation to Minute 140(d), a risk relating to unlawful decision making was already in the Corporate Risk Register. In relation to Minute 140(b), Members were assured that the Head of Governance Services and the Head of Internal Audit would meet to agree an action plan to address the recommendations of the internal audit report. The need to review the processes involved in delegated decision making and provide further training had also been included in the Annual Governance Statement, which would be considered at agenda item 12.

## **8 Standards Committee Annual Report 2008/09**

The Chair of the Standards Committee introduced this item, which presented the Standards Committee annual report 2008/09 for Members' information.

Members particularly discussed:

- The meaning of 'other action', and its potential benefits and drawbacks;
- The need to make Local Assessment training mandatory for Standards Committee members;
- The number of complaints received, which was considered to be low when compared with the number of Leeds City and Parish Councillors. Members also requested further information in relation to how many Councillors the complaints involve, and how many complaints had been received per ward;
- The Officer Code of Conduct, and the need for the Council's Officer Code to be reviewed despite the delay in the release of a national Officer Code by the Department for Communities and Local Government; and
- The Standards Committee's interaction with other Standards Committees in the region.

### **RESOLVED -**

- (a) That the Standards Committee Annual Report 2008/09 be noted;

- (b) That General Purposes Committee, having consulted with the Standards Committee and Member Management Committee, be recommended to make Local Assessment training compulsory for members of the Standards Committee;
- (c) That further discussions be held regarding providing the Committee with further information in relation to the complaints received (such as the number of Councillors involved and the number of complaints per ward);
- (d) That the Council's Officer Code of Conduct be reviewed in order to ensure that it is fit-for-purpose, and that an update be provided with the next 6-monthly Standards Committee update report; and
- (e) That a copy of the current Officer Code of Conduct be sent to members of the Committee.

## **9 Member Development Annual Report 2008/09**

The Head of Scrutiny and Member Development presented a report of the Chief Democratic Services Officer introducing the Member Development Annual Report 2008/09. As Chair of the Member Development Working Group, Councillor Latty also highlighted some issues from the Annual Report, including Personal Development Plans for Members, the introduction of a Members' Handbook and political awareness training for officers.

Members discussed the need for all relevant Members to attend licensing and planning training, and were informed that should a Member not attend, the relevant Group Whip would be notified. It was also requested that the external conferences and seminars table should clarify why a particular conference was not attended (where applicable), and whether the travel costs were refunded.

Further to Members' queries, it was confirmed that all Scrutiny Board members would receive training, however the Health Scrutiny Board had been prioritised due to its complexities. Members were also informed that any external training provided could be discussed with Member Development as part of the Personal Development Plan process, and that the Member Development Officer would create a list of the training undertaken by each Member, including any training provided by the Council's partner authorities.

**RESOLVED** – That the Member Development Annual Report 2008/09 and the assurances it provides regarding developing the capacity of Members to be effective in accordance with the Council's Code of Corporate Governance be noted.

## **10 KPMG Scrutiny Review**

The Assistant Chief Executive (Corporate Governance) submitted a report summarising the key findings from KPMG's recent audit of the Council's Overview and Scrutiny arrangements.

Representatives from KPMG were in attendance to present the report and respond to Members' questions. Members were informed that the report had been presented to the Council's Scrutiny Boards, and that it would be presented to the next Executive Board meeting.

Members particularly discussed:

- Their uncertainty in relation to the Scrutiny Boards' involvement in policy development;
- The need to have a job description and person specification rather than a job specification;
- The quality of the discussions held by Scrutiny Boards, which it was felt could be improved; and
- Their concern at the expectation placed upon Scrutiny Board members in terms of the time commitment required.

**RESOLVED –**

- (a) That the assurances provided with regards to the Council's Overview and Scrutiny arrangements be noted; and
- (b) That a future report be submitted regarding the actions taken as a result of KPMG's report.

## **11 Annual Monitoring of Key and Major Decisions**

The Head of Governance Services presented a report of the Chief Democratic Services Officer providing assurances to the Committee with regards to the administration of Key and Major decisions notified to Democratic Services during the financial year 2008/09.

Members particularly discussed:

- The need to ensure that the background papers (in relation to delegated decisions) provide the required evidence and demonstrate that consultation has been undertaken regarding the decision where appropriate;
- Their concerns regarding the number of key decisions that did not appear on the Forward Plan, and the importance of addressing this outcome. It was also requested that an update report be provided in 6 months in order that the Committee can continue to monitor this issue; and
- The importance of this report and the Committee in highlighting where governance issues exist and need to be addressed.

The Committee was informed that annual reports would be provided in future in relation to planning and licensing decisions. These are classed as Council functions and had not formed part of the report of the Head of Governance Services.

**RESOLVED –**

- (a) That the number of delegated decisions taken during the period 1 April 2008 and 31 March 2009, the number of those that were exempt from call-in and the reasons why be noted;

- (b) That the number of key decisions that did not appear in the Forward Plan of Key Decisions be noted;
- (c) That the assurances provided by the Head of Governance Services be noted;
- (d) That the actions taken in response to the issues raised by the recent Internal Audit report be noted;
- (e) That future annual reports in relation to planning and licensing decision making be requested; and
- (f) That an update report regarding the monitoring of key and major decisions be submitted in 6 month's time.

## **12 Corporate Governance Statement 2009**

The Assistant Chief Executive (Corporate Governance) presented a report presenting the Corporate Governance Statement 2009 for approval.

Members were informed that a more robust process for gathering information for the evidence framework would be identified and used in producing next year's statement.

Members' attention was drawn to several sections of the Corporate Governance Statement, including the governance assurances and areas for improvement.

**RESOLVED** – That the Corporate Governance Statement 2009 be approved, and that the Leader of Council, Chair of Corporate Governance and Audit Committee, Chief Executive and Assistant Chief Executive (Corporate Governance) be authorised to sign the document on behalf of the Council.

## **13 KPMG Interim Audit Report on the Statement of Accounts**

The Principal Financial Manager presented a report of the Director of Resources summarising KPMG's planning and interim audit work at the Council in relation to the 2008/09 financial statements.

**RESOLVED** – That the report and the officer actions and timeframes for completion be noted.

## **14 Statement of Accounts 2008/09**

The Principal Financial Officer presented a report of the Director of Resources introducing the 2008/09 Statement of Accounts for Leeds City Council for approval.

Members were informed that there were a number of presentational errors, which would be amended prior to the publication of the Accounts. The deficit on the Income and Expenditure Account was explained in more detail, as were the actions taken in relation to the audit issues from 2007/08.

(At this point in the meeting, Councillor Driver declared a personal interest as a Governor of South Leeds High School.)

Members requested that the statement in relation to there being no schools in deficit which are subject to special measures, be checked for accuracy. Members noted that Teachers and non-Teachers remuneration had been recorded separately, and discussed the reasons why there was a higher number of teachers earning over £50,000 than in the previous year.

**RESOLVED** – That the 2008/09 Statement of Accounts be approved, and 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.

## **15 Annual External Audit and Inspection Plan 2009/10**

The Chief Officer (Audit and Risk) presented a report of the Director of Resources, presenting for Members' approval the External Audit and Inspection Plan for 2009/10.

Members were informed that the audit fee scale is set by the Audit Commission, and that KPMG's fee for 2009/10 is 18% below the fee line, as the Council achieved a score of 4 in its last Use of Resources assessment. The aims of the Sustainability review were also explained in more detail.

Adrian Lythgo, the Council's Engagement Lead at KPMG, informed the Committee that he would be leaving KPMG shortly, and thanked Members for their cooperation. The Chair expressed his appreciation for the support that had been provided to the Committee.

**RESOLVED** – That the External Audit and Inspection Plan for 2009/20 be agreed.

## **16 Work Programme**

The Assistant Chief Executive (Corporate Governance) submitted a report notifying Members of the draft work programme for 2009/10.

Members highlighted the need for the report on the governance arrangements of Leeds City Region, in order that the Committee can be informed of the structures in place, whether they are fit-for-purpose, and whether they allow the necessary information to be passed on to all Members.

It was also confirmed that a report regarding the governance arrangements of the Council's subsidiaries would be submitted to the Committee, and that discussions would be held with Children's Services in order to determine when it would be appropriate to submit a report regarding the governance arrangements of Children's trusts.

**RESOLVED** –

- (a) That the draft work programme for the remainder of the municipal year be noted;
- (b) That a report be added to the Work Programme in relation to the governance arrangements of the Council's subsidiaries; and
- (c) That discussions be held with Children's Services in order to determine when it would be appropriate to submit a report regarding the governance arrangements of Children's trusts.