

## Corporate Governance and Audit Committee

Wednesday, 30th September, 2009

<b>PRESENT:</b>	Councillor J Bale in the Chair
	Councillors D Blackburn, G Driver, G Latty, C Campbell, G Kirkland, T Leadley, A Lowe and E Nash (as a substitute for Councillor P Grahame)
Apologies	Councillors N Taggart and P Grahame and Mr Mike Wilkinson (Co-opted Member)

### 31 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

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

The Committee considered the designation of Appendix 2 to Item 8 (minute 39 refers) as exempt under the terms of Access to Information Procedure Rule 10.4. The Committee considered that the information contained in the report did not contain sufficient details that might reveal the identity of an individual and therefore.

**RESOLVED** - That the exemption applied to Appendix 2 of Item 8 be removed and that, as a consequence, there be no exclusion of the public.

### 33 Late Items

There were no late items added to the agenda.

However a supplementary item to Agenda Item 9 was circulated after the agenda had been issued, which was due to finalising the accounts with the external auditor.

### 34 Declaration of Interests

No declarations of interest were made at this point in the meeting. However a declaration was made at a later point in the meeting (Minute 40 refers).

### 35 Apologies for Absence

Final minutes

Apologies for absence from the meeting were received on behalf of Councillors Grahame and Taggart, and Mr Mike Wilkinson. The Chair welcomed Councillor Nash who was in attendance as a substitute for Councillor Grahame.

### **36 Minutes of The Previous Meeting**

**RESOLVED** – The minutes of the Corporate Governance and Audit Committee meeting held on 29<sup>th</sup> July 2009 were approved as a correct record.

### **37 Matters Arising**

Further to Minute 23, the Auditor from KPMG gave assurances on the rigorous quality procedure adopted when KPMG compile reports and that observations made by the Committee will be taken into account by KPMG.

### **38 Minutes of the Standards Committee**

In response to a question, Members were informed that the Assessment Sub Committee and Review Sub Committee minutes are taken to Full Council as part of the minute book, and it was not within the remit of this Committee to receive them as they deal with specific allegations of misconduct against Members.

**RESOLVED** – That the minutes of the Standards Committee meeting held on 19<sup>th</sup> August 2009 be noted.

### **39 Local Government Ombudsman Annual Letter - 2008/09 Report**

The Corporate Customer Relations Manager presented a report of the Chief Customer Services Officer. The report introduced the Local Government Ombudsman's Annual Review for 2008/09 and considered the Council's performance during the year and particularly any issues raised by the Review.

The Assistant Ombudsman (Neil Hobbs) was in attendance to answer questions from the Committee.

Members had a detailed discussion with both the Local Government Ombudsman representative and the Corporate Customer Relations Manager particularly in relation to:

- Concerns that some departments are above the national target of 28 days to respond to a complaint;
- The upward trend in the total of settlement payments made per annum and how such trends might be skewed by unusually large settlements;
- The level of awareness of the Council's complaints procedure and the role of the Local Government Ombudsman and the likely impact this may have on the most disadvantaged people accessing the Council's services;

- The importance of giving sufficient attention to anti-social behaviour;
- The high level of complaints re-submitted by people unhappy with the way in which the Council had considered their complaint;
- The need to ensure that monitoring data used in the analysis of complaints reflects existing Council structures so that a clearer understanding of where difficulties are can be identified;

**RESOLVED –**

- (a) That the report be noted;
- (b) That a further report be submitted to the Committee during the current municipal year on the arrangements in place regarding how the Council responds to complaints of anti-social behaviour and also providing assurances in relation to the ways in which the Council's complaints system and the role of the Ombudsman are published;
- (c) That future monitoring information presented to the Committee correctly corresponds to the Council's management structures and where possible the median figure for settlements paid be used to identify trends in settlements made.

**40 Audited Statement of Accounts 2008/09**

The Principal Financial Manager presented a report of the Director of Resources informing Members of the report from the Council's external auditors (KPMG) on the 2008/09 accounts attached as Appendix 1 of the report.

Further, Members were asked to consider the Council's latest Use of Resources score which was provided by the External Auditors.

Mike McDonagh, Jillian Burrows and Alison Ormston from KPMG were present for this item.

In relation to the Audited Statement of Accounts, Members particularly discussed:

Concerns over the Housing Revenue Account deficit to be recovered from Aire Valley Homes and how the Council could ensure that this is repaid.

In relation to the Use of Resources Score 2009, Members particularly discussed:

- The requirements needed by the Council in order to achieve scores of 3 or 4 in areas that are currently only achieving a score of 2;
- The potential for benchmarking with other Core Cities;
- The importance of ensuring that the Council produces, and sources from other stakeholders, relevant and reliable data and information to support decision making and managing performance;
- The increasing role of partnerships and the potential for a democratic deficit in the work that partnerships undertake on behalf of the Council;

- The lack of a remuneration committee at the Council and the role such a committee could have in regulating the salaries, bonuses, and retirement agreements for the Chief Executive, Deputy and Assistant Chief Executive(s) and Directors.
- Concerns about the likely decrease in financial resources available to the Council in the future, and the approaches being considered by the Council to respond to this;

#### **RESOLVED –**

- (a) That the report of the Council's external auditors on the 2008/09 accounts be received and the amendments made to the accounts noted;
- (b) That on the basis of assurances received, the Chair sign the management representation letter on behalf of the Committee;
- (c) That the offer from the Council's external auditors to provide comparative data in relation to Chief Officer pay scales be accepted;
- (d) That officers be requested to prepare a report for the Committee's consideration outlining the arrangements the Council has put in place to respond to the changing financial landscape
- (e) That Officers be requested to prepare a report for the Committee's consideration to explain;
  1. the process by which senior management remuneration is agreed and kept under review in Leeds City Council;
  2. the arrangements in other local authorities with respect to senior officer remuneration;
  3. the scope for the creation of a Remuneration Committee.
- (f) That Officers be requested to prepare a report for the Committee's consideration explaining the arrangements the Council has in place to ensure that the Council produces, and sources from other stakeholders, relevant and reliable data and information to support decision making and managing performance;
- (g) That thanks be conveyed to Officers in Financial Management for their work in preparing the accounts to such a high standard.

(Councillor Driver declared a personal interest during of this item as a member of the Board of Aire Valley Homes).

#### **41 Members Allowances and Expenses**

The Democratic Services Officer presented a report of the Chief Democratic Services Officer about the arrangements for determining and administering payments to Members.

In response to Members questions the Democratic Services Officers explained that:

- Members utilising PDA devices must pay for any telephone or messaging costs incurred;

- Further feedback would be provided to Members with regard to the provision of annual statements detailing Members' pension contributions;
- That further information would be provided as to what is the notification fee referred to in the report and what this was for;
- The reason for the reasons for the higher allowances being paid to Independent Members (as opposed to Parish and Town Council Members) is because of the chairing responsibilities of Independent Members in respect of Assessment and Review Sub Committees.

**RESOLVED –**

- (a) That the contents of the report be noted;
- (b) That the Democratic Services Officer be requested to provide information on the notification fee and provision of annual pension contribution statements to Members;
- (c) That future reports on Members' allowances and expenses be presented to the Committee should there be any changes to, or identified failings in, the control arrangements currently in place.

**42 Work Programme**

The Committee requested a report into the Council's arrangements for assessing changes in current demographics and how partners contribute to this.

**RESOLVED –**

- (a) That the work programme be updated to reflect the reports requested during the meeting; and
- (b) That the draft work programme for the remainder of the year be noted.