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Corporate Governance and Audit Committee

Wednesday, 13th January, 2010

PRESENT: Councillor J Bale in the Chair
Councillors D Blackburn, G Driver,
P Grahame, G Latty, N Taggart,
C Campbell, G Kirkland and J Lewis

Co-optee Mr M Wilkinson

Apologies Councillors T Leadley and A Lowe

69 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

70 Exempt Information - Possible Exclusion of the Press and Public

There were no resolutions to exclude the public.

71 Late Items

There were no late items to add to the agenda. However, the Chair noted that supplementary information was circulated at the meeting in relation to Item 8. This information updated the report following new rules covering disclosure of top salaries in Local Government (minute 77 refers). The Chair accepted this information as it was not available at the time of agenda despatch and it required consideration in order for Members to effectively consider the report.

72 Declaration of Interests

No declarations of interest were declared.

73 Apologies for absence

Apologies for absence were received from Councillors Lowe and Leadley. The Chair welcomed Councillor J Lewis who was in attendance as a substitute for Councillor Lowe.

74 Minutes of the previous meeting

RESOLVED - The minutes of the Corporate Governance and Audit Committee meeting held on 15th December were approved as a correct record.

75 Matters Arising

Further to Minute 66, The Chair noted, with regards to the Code of Corporate Governance, which was approved at the meeting held on 15th December 2009 that a minor amendment was proposed by the Standards Committee. The

minor amendment, made for clarity, was the second bullet point of Principle 3 to be amended to read 'Appointing a Standards Committee with responsibilities for promoting and monitoring the application of the relevant parts of these Codes and Protocols'.

76 Minutes of the standards Committee Meeting

RESOLVED – That the minutes of the Standards Committee meeting held on 16th December be noted and that the amendment made by the Standards Committee to the Code of Corporate Governance be approved.

77 Senior Officer Remuneration Arrangements

The Chief Officer (Human Resources) and the Head of Human Resources Strategy presented a report of the Director of Resources outlining the national and local frameworks for determining and implementing senior officer remuneration packages. This included providing detail about new legislation relating to the disclosure of senior officers' salaries, as set out in the supplementary information circulated at the meeting.

Members discussed the report and supplementary information in detail. In particular they noted:

- the details about the HAY process, and how it is used at the Council;
- the functions of the Employment Committee and its ad hoc membership;
- the role of this Committee in ensuring that arrangements for determining remuneration are fair and accountable;
- the need for the Council to have an overview on governance arrangements adopted by ALMOs and Education Leeds, for determining remuneration for their employees;
- the need to ensure that such arrangements cover all aspects of remuneration packages, including severance;
- the role of the General Purposes Committee in progressing this issue.

Members concluded that there is a need to implement a clearer and more structured approach to the determination of remuneration. The Committee supported the appointment of a remuneration committee by the Council.

RESOLVED – Members resolved to:

- (a) request further clarification about the new legislation, specifically how it affects employees of bodies such as ALMOs and Education Leeds, and in relation to the disclosure of compromise agreements;
- (b) request that the Committee is consulted about progress on improved arrangements for determining remuneration, so that it can be satisfied that arrangements are satisfactory from a governance point of view; and
- (c) continue to monitor the governance arrangements for the determination of senior officers' remuneration.

(Councillor Taggart entered the meeting at 10.17am Councillors Kirkland and Campbell entered the meeting at 10.29am. All entered during the consideration of this item.)

78 Half Yearly Internal Audit

The Head of Internal Audit presented a report of the Director of Resources updating Members on the reviews undertaken by Internal Audit over the first half of 2009/10.

Members congratulated the Head of Internal Audit on the clarity of his report.

Members particularly discussed:

- how assessment of the control environment was arrived at by Internal Audit;
- Internal Audit's access arrangements for undertaking reviews of contracts that ALMOs have entered in to;
- where Internal Audit identify clear threats to the control environment this information should be prioritised and escalated to the highest levels of the Council;
- the importance of the Committee being made aware of areas reviewed by Internal Audit that have identified a poor control environment to enable the Committee to intervene if appropriate;

RESOLVED – Members resolved to:

- (a) receive further reports from Internal Audit where Internal Audit have identified that the control environment of an area under review is found to be limited or no assurance given; and
- (b) to receive a report detailing a revised Internal Audit protocol to enable arrangements to be formalised.

(Councillor J Lewis left the meeting at 11.40am during the consideration of this item. Councillor P Grahame left the meeting at 11.50am after the consideration of this item.)

79 Annual Audit Letter

The Chief Officer (Audit and Risk) presented his report summarising the key issues from KPMG's audit of the Council in 2008/09.

Members particularly discussed:

- the readiness of the Council for the future issues raised within the Audit Letter; and
- the EASEL project, how this was more challenging to deliver because of the recession but that the scheme is still viable.

RESOLVED – Members resolved to:

- (a) note the contents of the report; and
- (b) receive information updating the Committee with progress made against the recommendations of the previous KPMG report on health equalities.

80 Publication of the Council Complaints system

Due to time constraints at the meeting the Committee decided that this item should be deferred and rescheduled for a future date.

81 Significant partnerships governance framework

The Principal Corporate Governance Officer presented a report of the Assistant Chief Executive (Corporate Governance) seeking comments on the proposed amendments to the Governance Framework for Significant Partnerships, prior to the Assistant Chief Executive (Corporate Governance) approving amendments under her delegated authority.

Members particularly discussed:

- the need for carbon reduction and sustainability to be considered in the Council's approach to partnerships;
- the need to receive assurances about compliance with the Framework .

RESOLVED – Members resolved to:

- (a) note the annual review of the Governance Framework for Significant Partnerships;
- (b) agree the amendments put forward in the report; and
- (c) request that a report be received by the Committee providing assurance about compliance with the Framework.

82 Standards Committee Update Report

The Chair of the Standards Committee provided comment in relation to a report of the Assistant Chief Executive (Corporate Governance) advising the Committee of the work completed by the Standards Committee to date in the 2009/10 Municipal Year.

Members particularly discussed:

- the positives for Leeds that the Council was again short listed in the 'Standards and Ethics' category of the Local Government Chronicle Awards 2010;
- the timing for the publication of Standards for Officer's and Members;
- succession planning for a new Chair of The Standards Committee, which is now underway. The current Chair of The Standards Committee will retire in May 2010.

RESOLVED - Members resolved to note the contents of the report.

83 Work Programme

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

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.

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