

Corporate Governance and Audit Committee

Wednesday, 23rd June, 2010

PRESENT: Councillor G Driver in the Chair
Councillors P Grahame, C Campbell,
G Kirkland, A Lowe, S Smith, J Elliott,
W Hyde and J Lewis

Co-optee

Apologies G Tollefson and Councillor P Harrand

1 First Meeting of the New Chair

Councillor Driver, the new Chair of the Committee, paid tribute to the previous Chair who retired on 6 May 2010. The Chair stressed the importance that the priorities of the Committee be focussed to the needs of the Council and this should inform the work programme to be discussed later in the meeting.

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 added to the agenda

5 Declaration of Interests

Councillor Driver declared a personal interest in Agenda item 11 (Minute 148) as a Member of the Aire Valley Homes ALMO.

Councillor Lowe declared a personal interest in Agenda item 11 (Minute 148) as a Director of West North West Homes ALMO.

6 Apologies For Absence

Apologies for absence were received from Councillor Harrand and Gordon Tollefson.

7 Minutes of the Previous Meeting

The Chair confirmed that with regards to Minute 135, a letter had been sent to the Leader of the Council voicing the concerns of the Committee on the governance arrangements of the Leeds City Region.

RESOLVED - The minutes of the Corporate Governance and Audit Committee meeting held on 12th May 2010 be approved as a correct record.

8 Corporate Governance and Audit Committee Terms of Reference

The Corporate Governance Officer presented a report of the Assistant Chief Executive (Corporate Governance) which presented the Committee with its terms of reference which were approved at the Annual Council Meeting on 27 May 2010.

Members discussed the reasons why references to the Statement on Internal Control had been changed to the Annual Governance Statement.

RESOLVED – The Committee resolved to note its terms of reference for the forthcoming municipal year.

9 KPMG Report - Grants and Returns in 2008/09

The Principal Finance Manager (Resources) presented a report of the Director of Resources which informed the Committee on the result of work undertaken by KPMG on the certification of grant claims for 2008/09. The report was a new requirement from the Audit Commission, who want to raise the profile of the audit grant work with Members.

A representative from KPMG was also in attendance.

Members questioned how the fees were calculated by KPMG for the work that they do on grants and returns.

RESOLVED – The Committee resolved to note the results of the 2008/09 audit of grants and returns.

10 KPMG report - Financial Statements Audit Plan

The Chief Officer (Financial Management) presented a report of the Director of Resources which informed the Committee of KPMG's audit plan for the audit of the Council's Accounts. The attached report from KPMG highlighted the risk based approach to the audit and the main risks identified for 2009/10. The report also highlighted the actions undertaken by officers of the Council to mitigate the risks identified.

RESOLVED – The Committee resolved to:

- note the external audit plan in respect of the Council’s accounts and the actions taken by officers to manage risks identified; and
- receive a further report in September from KPMG on the audit of the accounts, including the opinion on the accounts.

11 KPMG - Interim Report on the Statement of Accounts

The Principal Financial Manager (Resources) presented a report of the Director of Resources which summarised KPMG’s planning and interim audit work in respect of the Statement of Accounts for Leeds City Council for 2009/10. .

Members discussed the abolition of the Use of Resources assessment and highlighted that issues, which had been previously raised by this method of assessment, should not be lost. Members also discussed the need for clarity on the wider audit plan for External Audit to ensure that this addressed the key risks of the Council.

The Chief Officer (Audit and Risk) informed the Committee of the reliance that KPMG place on the good work of Internal Audit when completing their work.

RESOLVED – The Committee resolved to:

- note the findings of the KPMG report along with the officer actions and timeframes for completion; and
- request a timetable of key dates in relation to the commencement and likely conclusion of KPMG Audits forthcoming year.

12 ALMO Re-inspections

The Housing Policy and Monitoring Manager presented a report of the Strategic Landlord which informed the Committee of the outcome of the two ALMO re-inspections in the last 12 months.

Members particularly discussed the challenges facing ALMOs and the improvements that could be made to ALMOs specifically by:

- developing an improved strategic approach; and
- improving services relating to sheltered housing.

Also discussed were concerns about the lack of ALMO information available to Members not on the Boards of ALMOs.

RESOLVED – The Committee resolved to:

- note the inspection outcomes and actions being taken to address Inspection recommendations; and

- receive a further report in September to consider components of the governance assurance framework being introduced by the Strategic Landlord for the ALMOs;
- to receive an Annual Assurance report from the Strategic Landlord based on the assurances received from the ALMOs

13 Work Programme

The Assistant Chief Executive (Corporate Governance) submitted a report notifying Members of the draft work programme for the 2010/11 municipal year.

RESOLVED - The Committee resolved to note the draft work programme and to consider it in further detail after receipt of the Annual Governance Statement to inform the discussion..