

Corporate Governance and Audit Committee

Wednesday, 29th September, 2010

PRESENT: Councillor G Driver in the Chair
Councillors P Grahame, N Taggart,
C Campbell, G Kirkland, A Lowe, , S Smith,
J Elliott, P Harrand, W Hyde and B Selby
(as substitute for T Hanley)

Co-optee G Tollefson

Apologies Councillors J Lewis and T Hanley

41 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

42 Exempt Information - Possible Exclusion of the Press and Public

There were no resolutions to exclude the public.

43 Late Items

There were no late items submitted to the agenda for consideration.

44 Declaration of Interests

Councillor Driver declared a personal interest in Agenda item 8 (Minute 48) and Agenda item 10 (Minute 50) as a Member of Aire Valley Homes ALMO.

Councillor Lowe declared a personal interest in Agenda item 8 (Minute 48) and Agenda item 10 (Minute 50) as a Member of West North West Homes ALMO.

45 Apologies for Absence

Apologies were received from Councillor T Hanley and Councillor J Lewis.

46 Minutes of the Previous Meeting.

RESOLVED - The minutes of the Corporate Governance and Audit Committee meeting held on 29th July 2010 be approved as a correct record.

47 Audited Statement of Accounts and the Value for Money Assessment 2009/10

The Chief Officer (Financial Management) presented a report of the Director of Resources which followed on from the Committee's approval of the Council's 2009/10 accounts, subject to external audit review, at the meeting held on 23rd June 2010. This report required the approval of the Council's final audited Statement of Accounts and consideration of any material amendments by the external auditors.

Also in attendance for this item were auditors from KPMG as follows: Mr M McDonagh, Ms A Ormston and Mr S Bradford. Mr M McDonagh presented the KPMG report to the Committee detailing the reasons behind the unqualified opinion given by KPMG on the accounts.

Members sought further assurance from the representatives from KPMG on the information contained within the accounts, specifically:

- the valuations given to the Council's fixed assets and the methods used to value assets;
- the difference in the value of assets between 2009 and 2010; and
- the processes used by KPMG to form their opinions on the accounts of the Council, specifically;
 - the method by which KPMG have reached their opinion on the Annual Governance Statement.

RESOLVED – The Committee resolved to:

- note the amendments made to the Accounts;
- approve the final 2009/10 Statement of Accounts; ask the Chair to acknowledge the approval on behalf of the Committee by signing the appropriate section within the statement of responsibilities on page 1 of the Accounts; and
- give approval to the Chair to sign the management representation letter on behalf of the Committee.

(Councillor Campbell and Councillor Kirkland entered the meeting at 10.17am during the discussion of this item.)

48 Final Annual Governance Statement 2010

The Head of Governance Services presented a report of the Assistant Chief Executive (Corporate Governance) which provided an introduction and commentary to the Council's Final Annual Governance Statement.

Members discussed what action should be taken to review the areas for improvement, in particular the improvements identified by the Chief Procurement Officer in relation to compliance with Contract Procedure Rules

RESOLVED – The Committee resolved to:

- approve the Final Annual Governance Statement;
- authorise the Chair of the Corporate Governance and Audit Committee to sign the statement on behalf of the Committee;
- recommend that the Leader of Council, Chief Executive and Assistant Chief Executive (Corporate Governance) sign the document; and
- seek further assurances with regard to the control arrangements in place to ensure compliance with Contract Procedure Rules across Directorates, particularly whether they are fit for purpose, how the arrangements are communicated and what the issues and risks are in terms of the arrangements being embedded; and
- seek a further report on the arrangements in place within Strategic Landlord/ALMO's to ensure that the improvements identified within the report are implemented.

49 Disbanding the Audit Commission; issues for Corporate Governance and Audit Committee

The Chief Officer (Audit and Risk) presented a report of the Deputy Chief Executive and Director of Resources. The report provided the Committee with an update on the emerging issues following the announcement on 13th August 2010 by the Secretary of State for Communities and Local Government, that the Audit Commission is to be disbanded.

Members particularly discussed how the void to be left by the Audit Commission would be filled specifically in terms of the consequences for Audit Commission staff, which companies would be in a position to undertake the external audit work done by the Audit Commission and how the new companies would be held accountable for the work they undertake.

Members also raised the issue of impartiality, if in the future auditors were to be appointed to undertake the work previously done by the Audit Commission.

RESOLVED - Members resolved to:

- note the initial implications of the decision to disband the Audit Commission and receive further details as appropriate from the Chief Officer (Audit and Risk);
- receive a further update on the impact of disbanding the Audit Commission has on how the assurance framework is assessed and reported to the Committee; and
- receive the Future Issues information identified by the Audit Commission. This information to be circulated to all Members of the Committee.

(Councillor Taggart entered the meeting during the discussion of this item at 11.15am)

50 Council Assurance Framework for ALMOs/ BITMO

The Housing Policy and Monitoring Manager presented a report of the Head of Strategic Landlord the report advised the Corporate Governance and Audit Committee ALMO / BITMO framework.

Also in attendance was the Principal Audit Manager (Audit and Risk).

Members discussed the report and considered it to be a case study of good practice.

RESOLVED - Members resolved to receive an annual report from Strategic Landlord Group on the assurances given for ALMOs and BITMO in managing the housing service through the Assurance Framework.

51 Information Security Report

The Project Manager (Planning Policy and Improvement) presented a report updating the Committee on any security breaches that the Council has been subject to and the work done to reduce the impact and mitigate against such attempts.

Members sought further assurances with regard to the security arrangements for 'PDA' devices which have been issued to officers and Members

Members also challenged the reasons behind the Council's use of specific brands of software.

RESOLVED - The Committee resolved to:

- note the contents of the report; and
- receive a report detailing the security arrangements in place for PDA devices issued by the Council.

52 Work Programme

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

The Committee resolved to note the draft work programme for the remainder of 2010/11.