

Corporate Governance and Audit Committee

Wednesday, 4th July, 2012

PRESENT: Councillor T Murray in the Chair
Councillors P Grahame, J Elliott, T Hanley,
C Fox, G Hussain, T Murray, R Wood,
E Taylor and J Bentley

Apologies Councillors N Taggart and J Illingworth

1 Appeals Against Refusal of Inspection of Documents

There were no appeals against the 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

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

4 DECLARATION OF DISCLOSABLE PECUNIARY AND OTHER INTERESTS

Councillor Fox and Councillor Hanley declared a significant interest in Agenda Item 9. The Statement of Accounts (Minute 9 refers) as Members of the West Yorkshire Pension Fund Investment Panel.

5 Apologies

Apologies for absence were received from Councillor Taggart and Councillor Illingworth.

6 Minutes of the Previous Meeting

The minutes of the meeting held on 23rd April 2012 were confirmed as a correct record.

7 Chair's Remarks

The Chair welcomed all to the first meeting of the 2012/13 municipal year particularly new Members to the Committee and congratulated Cllr Elliot on recently being awarded an MBE in the Queen's birthday honours list.

8 KPMG - INTERIM Audit Report

Representatives of KPMG (Mike McDonagh, Steve Clark and Heather Garrett) presented a report of the Director of Resources the report identified the findings from KPMG 's interim audit work in relation to the 2011/12 financial statements and the initial work undertaken to support their 2011/12 value for money conclusion.

Members discussed the report asking specific questions about how KPMG conduct their audit of the Council and the length of time needed to undertake work around the organisation's control environment. Members also sought specific assurances on the work completed on budgetary control. Members inquired about the cost of the audit by KPMG to the Council.

Members requested that KPMG identify within the Interim Audit report trends in the assessment outcomes in 2011/12 to previous years.

RESOLVED –The Committee resolved to note the positive assurances provided by KPMG on the systems and controls which underpin the Council's financial statements.

9 The Statement of Accounts 2011/12

The Principal Financial Manager introduced a report of the Director of Resources. The report presented the 2011/12 Statement of Accounts for Leeds City Council prior to them being made available for public inspection. The report provided a summary analysis of the key financial issues; an update on the future accounting issues impacting on the financial statements and an update on compliance with external audit recommendations from the audits of the 2010/11 accounts.

Members specifically considered the pension fund deficit, its impact on council finances and the actuarial assessment of the ongoing strength of the West Yorkshire Pension fund.

Members also recognised the scale and complexity of the accounting statements and as an example requested a more detailed explanation of the Housing Revenue Account at a separate seminar session for the Committee to be arranged in due course with the Principal Financial Manager.

The debt situation of the Council was also considered by Members and explanations were sought about the management of short and long term borrowing by the Councils Treasury Management Team

RESOLVED – The Committee resolved to:

- (a) note the 2011/12 Statement of Accounts as certified by the responsible financial officer; and
- (b) agree to release the accounts for public inspection.

10 Role of the People Plan in Corporate Governance

The Head of HR presented a report of the Chief Officer for Human Resources. The report outlined the role of the Council's People Plan and how it aligns with the Council's Code of Corporate Governance in respect of: the appraisal process, employee engagement, workforce planning and control of the Council's budget.

Members wished for the important work undertaken by the Central and Corporate Scrutiny Board to be more accurately referenced by officers as the Board's work had been fundamental to the improvements made.

Members stressed the importance of managing the work force in an effective and efficient way, in light of the reduction in staff over recent and coming years.

RESOLVED – The Committee resolved to note the existing monitoring and reporting arrangements for appraisal processes, employee engagement, workforce planning and control of the Council's workforce budget.

11 Council Housing Assurance Framework 2011-12

The Housing Policy and Monitoring Manager presented a report of the Chief Statutory Housing Officer. The report provided assurance that the management of council housing in the city is being appropriately monitored by the Housing Partnerships team based within Housing Services.

Members discussed the report asking specific questions around the rating system given by Internal Audit for the 2011/12 commissioned audits.

RESOLVED - The Committee resolved to note the assurances provided that the management of council housing in the city is being appropriately monitored by the Housing Partnerships team based within Housing Services.

12 Annual Assurance Report on Risk & Performance Management

The Principal Risk Management Officer and the Executive Officer (Performance Management) presented a report of the Director of Resources and the Assistant Chief Executive (Customer Access and Performance). The report provided the Committee with assurances on the Council's risk and performance management arrangements.

Members highlighted the importance of ensuring that risk and performance work is completed with the Council's partners to ensure arrangements in place are satisfactory and the Council is exposed to as little risk as possible.

Members were particularly keen to ensure that the arrangements in place are able to quickly take account of changing circumstances and guidance issued by Government.

By way of illustration the Chair referred to a recent report of the Office of the Children's Commissioner on improving the safety of children in residential care and sought assurances that safeguarding arrangements would be reviewed in light of the document.

RESOLVED - The Committee resolved to note the Council's risk and performance management arrangements and note the assurances given.

13 Work Programme

The Director of Resources submitted a report notifying members of the work programme.

The Committee reviewed its forthcoming work programme.

RESOLVED – The Committee resolved to note the work programme.