

APPENDIX 2

59. REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

RESOLVED:

(1) That, pursuant to recommendation (2) of the Audit and Governance Committee report, the Council:

(a) notes the receipt from Mr Richard Bint of PKF Partners, the Council's external auditors, of a report dated 26 May 2011 concerning his review of the granting of a fixed term employment contract to the Chief Executive in 2007;

(b) resolves to adopt the report and respond to its findings as set out below:

(i) on point 1 (Appropriate Legal Advice) of "lessons to be learned" on page 5 of Mr Bint's report:

(aa) that appropriate legal advice will be taken where necessary in respect of any such contract of employment from a lawyer familiar with the relevant legislation;

(bb) that, in the event that such specialist knowledge is not available within the Council, appropriate external legal advice will be obtained by the Solicitor to the Council and obtained by means of the Council's agreed procurement procedures;

(ii) on point 2 (Staff Awareness of Fixed Term Contracts) – that written advice be issued to all relevant staff on the principal features of such contracts as a matter of priority;

(iii) on point 3 (Pre-Contract Scrutiny) – that arrangements be made to ensure that, in respect of all contracts of equivalent or greater significance, Council 26 July 2011 any unusual features identified be tested and their legal, financial and human resources implications clarified;

(iv) on point 4 (Reporting to Councillors) – that all reports dealing with contracts of the kind referred to above be checked so that any unusual features are identified and their

purpose and legal, financial and human resources implications clarified;

(2) That the Committee for the Appointment of a Chief Executive be asked to bear these decisions in mind as part of its current consideration of the Chief Executive position;

(3) That the Council refers to the Overview and Scrutiny Committee the details of procedure for reporting such complex and sensitive contracts to Councillors and the procedure to be followed in the event that the Council is considering entering into such contracts; and

(4) That a report be made to a future Audit and Governance Committee as to the procedures which have been or are proposed to be put in place.