

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 16th November 2018

Present: Councillor Hilary Richards (Chair)
Councillor Carole Pattison
Councillor Ken Sims
Councillor Julie Stewart-Turner
Councillor John Taylor
Councillor Andrew Pinnock

1 Membership of the Committee

Councillor A Pinnock substituted for Councillor K Pinnock.

2 Minutes of Previous Meeting

RESOLVED - That the Minutes of the meeting held on 7 September 2018 be approved as a correct record.

3 Interests

No interests were declared.

4 Admission of the Public

It was noted that all agenda items would be considered in public session.

5 Deputations/Petitions

None received.

6 Public Question Time

No questions were asked.

7 Corporate Customer Standards Annual Report 2017-18

The Committee received the Corporate Customer Standards Annual report 2017-2018, which set out details on numbers of complaints received during 2016-2017, and the formal report issued by the Local Government Ombudsman.

The report set out the core areas of improvement which had been identified arising from the publication of the Ombudsman's formal report and it was noted that further details would be submitted to the next meeting of the Committee in January 2019. The Committee were advised that an Improvement Plan had already been considered which would provide an additional £0.5m for improved performance within the service, and would involve parents within the process of designing the service improvements.

The Committee noted the content of the report and it was requested that the wording of paragraph 2.5 be amended so as not to suggest that Licensing and Safety Committee is a method for pursuing complaints. A concern was also raised

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with regard to school transport provision relating to the capacity of service providers to deliver the required provision, and it was advised that this would be investigated.

Discussion also took place with regards to providing advice to the public on pursuing complaint matters, as detailed in paragraph 4 of the considered report.

RESOLVED - That the Corporate Customer Standards Annual report 2017-2018 be received and noted.

8 Information Governance Progress Report (Q1 and Q2)

The Committee received an update report which provided an overview of key information governance events and activities. Headline actions included details of work being undertaken in order to improve the information governance culture within the Council, and also to minimise risk from non-compliance with GDPR, which included (i) reviewing policies, guidance and framework (ii) promoting and updating awareness (iii) implementing initiatives to improve information security and (iv) delivering projects to update procedures for records management.

Discussion took place with regards to (i) compliance with mandatory training requirements and (ii) retention processes for information, specifically in regards to the receipt of comments regarding the Local Plan.

The Committee noted the report and asked that thanks for the work undertaken be conveyed to the Information Governance Team for their support and assistance to staff and Elected Members in complying with sound information governance processes.

RESOLVED - That the Information Governance Progress Report (Q1 and Q2) be received and noted.

9 Treasury Management - Half Yearly Monitoring

The Committee received a report which provided an overview of half-yearly treasury monitoring for the period 1 April to 30 September 2018. It was noted that (i) the report provided assurance that the Council's treasury management function was being managed prudently and pro-actively (ii) external investments averaged £43.1m during the period at an average rate of 0.56% and (iii) investments had ranged from a peak of £70.8m and a low of £15.8m.

The report advised that the treasury management revenue budget was forecast to underspend by £5.4m in 2018/2019, against an annual budget provision of £22.9m, due to the change in Minimum Revenue Provision Policy which had generated an underspend against baseline of £9.1m, and that out of this underspend, it was intended that £4.1m transfer to financial resilience reserves at year end, with the balance of the £5m being released in-year to support additional investment into high needs service.

The report provided an overview and key headlines in terms of (i) economic context (ii) investment performance (iii) borrowing performance (iv) revenue budget monitoring (v) prudential indicators (vi) future treasury management strategy and (vii) borrowing and investment general strategy 2018/19.

RESOLVED -

- (1) That the half-year treasury management 2018-2019 performance report be noted.
- (2) That the report be referred to the meetings Cabinet on 16 November 2018 and Council on 11 December 2018 with a recommendation that proposals for an amendment in the Council's current investment strategy, to include the Local Authority Property Fund as a potential source, be approved.
- (3) That it be noted that Officers will further explore an investment opportunity of between £5m and £10m in the Fund, and that subject to further Government clarification on the statutory override, and other risk considerations, any such proposals be formalised into the forthcoming 2019/2020 Annual Treasury Management Strategy and Annual Budget for further consideration.

10 External Audit Progress Report and Sector Update

The Committee received a progress report from Grant Thornton External Auditors, which set out the progress made on delivering responsibilities. The report also included a summary of emerging national issues and developments and a number of questions to consider in terms of emerging issues to consider.

The report set out the progress made as at 26 October 2018, as detailed within the report. The Committee noted the 2018/2019 timetable for deliverables and that work was on track to submit the Accounts Audit Plan to the meeting of the Committee in January 2019.

RESOLVED - That the External Audit Progress report and Sector Update be received and noted.

11 Risk Management Update Report

The Committee received a report which set out information on the Council's Risk Management Statement, providing an overview of the current position and actions that were being taken to improve the organisational approach to risk management. The action plan, setting out the risks and mitigation actions, was appended to the considered report.

The Committee noted that many of the risks stated were common to large organisations, but the structure of the information had now been updated, and also included associated Brexit risks. Discussion took place regarding the need to strengthen the risk as identified in the Action Plan at items 3, 7 and 13, which had interconnected components, and the need to reference concerns relating to mitigation measures. The Committee also emphasised the need for arrangements to be put in place to ensure that risk matrix information for individual Council Directorates was regularly updated and requested that an update report be submitted in 6 months' time.

RESOLVED -

- (1) That the Risk Management update report be received and noted.

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- (2) That the Committee's dissatisfaction with the progress made to date on the implementation of risk management be noted and that appropriate action be taken to progress this prior to the submission of a progress report to the Committee in approximately 6 months.

12 **Quarterly Report of Internal Audit 2018/2019 (Quarter 2)**

The Committee received a report which set out the activities of internal audit during the second quarter of 2018/2019. The report contained information regarding 13 formal opinion based pieces of work, 7 projects and 6 completed audits. It was noted that, overall, 54% of the work had reflected a positive outcome, and that the cumulative positive outcome for the year was 71%.

(The Committee considered the exempt information at Agenda Item 14 (Minute No.14 refers) prior to the determination of this item).

RESOLVED - That the Internal Audit Quarterly Report (Quarter 2) be received and noted.

13 **Exclusion of the Public**

RESOLVED - That acting under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act, as specifically stated in the undermentioned Minute.

14 **Quarterly Report of Internal Audit 2018/2019 (Quarter 2)**

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, namely that the report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption, which would protect the interests of the Council and the company concerned, outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.)

The Committee received the Quarter 2 report of Internal Audit, covering the period July to September 2018. The report set out details of internal audit activity and provided an update on the monitoring of progress regarding the implementation of the Annual Governance Statement, and other assurance information.

RESOLVED - That the Internal Audit Quarterly Report (Quarter 2) be received and noted.