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**Service Director – Legal, Governance and
Commissioning**

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Thursday 18 July 2024

Notice of Meeting

Dear Member

Corporate Governance and Audit Committee

The **Corporate Governance and Audit Committee** will meet in the **Council Chamber - Town Hall, Huddersfield** at **10.00 am** on **Friday 26 July 2024**.

The items which will be discussed are described in the agenda and there are reports attached which give more details.

A handwritten signature in black ink, appearing to read "S Lawton".

Samantha Lawton

Service Director – Legal, Governance and Commissioning

Kirklees Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair/Clerk of their intentions prior to the meeting.

The Corporate Governance and Audit Committee members are:-

Member

Councillor John Taylor (Chair)
Councillor James Homewood
Councillor Angela Sewell
Councillor Caroline Holt
Councillor Kath Pinnock
Councillor Imran Safdar
Councillor Habiban Zaman
Chris Jones (Co-Optee)

When a Member of the Corporate Governance and Audit Committee cannot attend the meeting, a member of the Substitutes Panel (below) may attend in their place in accordance with the provision of Council Procedure Rule 35(7).

Substitutes Panel

Conservative	Green	Labour	Liberal Democrat	Community Alliance	Kirklees Community Independents
D Bellamy	K Allison	M Sokhal	PA Davies	A Zaman	A Anwar
D Hall	A Cooper	M Ahmed	J Lawson		A Arshad
R Smith	S Lee-	S Ullah	A Munro		JD Lawson
M Thompson	Richards	B Addy	A Marchington		
		M Crook	A Smith		
		J Rylah E Firth	A Pinnock		
			A Robinson		

Ex Officio Members

Councillor Cathy Scott
Councillor Cahal Burke
Councillor Bill Armer

Agenda

Reports or Explanatory Notes Attached

Pages

1: Membership of the Committee

To receive apologies for absence from those Members who are unable to attend the meeting and details of substitutions and for whom they are attending to the Committee membership.

2: Minutes of Previous Meeting

1 - 4

To approve the Minutes of the meeting of the Committee held on 28th June 2024.

3: Declaration of Interests

5 - 6

Members will be asked to say if there are any items on the Agenda in which they have any disclosable pecuniary interests or any other interests, which may prevent them from participating in any discussion of the items or participating in any vote upon the items.

4: Admission of the Public

Most agenda items take place in public. This only changes where there is a need to consider exempt information, as contained at Schedule 12A of the Local Government Act 1972. You will be informed at this point which items are to be recommended for exclusion and to be resolved by the Committee.

5: Deputations/Petitions

The Committee will receive any petitions and/or deputations from members of the public. A deputation is where up to five people can attend the meeting and make a presentation on some particular issue of concern. A member of the public can also submit a petition at the meeting relating to a matter on which the body has powers and responsibilities.

In accordance with Council Procedure Rule 10, Members of the Public must submit a deputation in writing, at least three clear working days in advance of the meeting and shall subsequently be notified if the deputation shall be heard. A maximum of four deputations shall be heard at any one meeting.

6: Public Question Time

To receive any public questions.

In accordance with Council Procedure Rule 11, the period for the asking and answering of public questions shall not exceed 15 minutes.

Any questions must be submitted in writing at least three clear working days in advance of the meeting.

7: Annual Corporate Emergency Planning and Business Continuity Report 7 - 18

To receive the Annual Corporate Emergency Planning and Business Continuity Report.

Contact: Laura Drew, Public Health Senior Emergency Planner.

8: Annual Report of Corporate Governance and Audit Committee 19 - 38

To receive the Corporate Governance and Audit Committee Annual Report.

Contact: Nicola Sylvester, Principal Governance and Democratic Engagement Officer.

9: Independent Member of the Committee 39 - 44

To consider a second Independent Member of the Committee.

Contact: Martin Dearnley, Head of Audit & Risk.

10:	External Auditors Recommendations Report	45 - 58
	To receive the External Auditors Recommendations Report.	
	Contact: Martin Dearnley, Head of Audit & Risk.	
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11:	Quarterly report of Internal Audit Q1 April - June 2024	59 - 74
	To receive the Quarterly report of Internal Audit Q1 April – June 2024.	
	Contact: Martin Dearnley, Head of Audit & Risk.	
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12:	Emergency Duty Services (Adults)-Follow up	75 - 78
	To receive the Emergency Duty Services (Adults) Follow up report.	
	Contact: Martin Dearnley, Head of Audit & Risk Michelle Cross, Service Director Learning Disabilities & Mental Health.	
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13:	Exclusion of the Public	
	To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.	
<hr/>		
14:	Quarterly report of Internal Audit Q1 April - June 2024	79 - 82
	Exempt appendix in relation to agenda item 11.	
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15:	Emergency Duty Services (Adults)-Follow up	83 - 86
	Exempt appendix in relation to agenda item 12.	
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Contact Officer: Nicola Sylvester

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 28th June 2024

- Present: Councillor John Taylor (Chair)
Councillor James Homewood
Councillor Imran Safdar
Councillor Caroline Holt (Virtual)
Councillor Paola Davies
- Co-optees: Chris Jones
- In attendance: Rachel Spencer- Henshall, Strategic Director, Corporate Strategy
David Stickley, Principal Lawyer
Leigh Webb, Acting Head of Governance
Martin Dearnley, Head of Risk and Internal Audit
James Anderson, Head of Accountancy (Virtual)
Simon Straker, Audit Manager
Alice Carruthers, Senior Finance Officer – Risk, Governance and Commissioning
Rachel Firth, Finance Manager (Virtual)
Chris Read, Corporate Customer Standards Officer
- Apologies: Councillor Angela Sewell
Councillor Kath Pinnock
Councillor Cathy Scott (ex-Officio)
Councillor Bill Armer (ex-Officio)

1 Membership of the Committee

Apologies were received on behalf of Councillor Angela Sewell, Councillor Kath Pinnock, Councillor Cathy Scott and Councillor Bill Armer.

Councillor Paola Davies substituted on behalf of Councillor Kath Pinnock.

2 Minutes of Previous Meeting

The minutes of the meeting held on 12th May 2024 be approved as a correct record.

3 Declaration of Interests

No interests were declared.

4 Admission of the Public

All items were considered in public session.

5 Deputations/Petitions

No Deputations or Petitions were received.

6 Customer Standards 2023/24 Interim Report

The Committee received an interim report on customer standards 2023/24 which set out initial performance information for 2023 and noted plans for changing the complaints procedure.

The report included statistical information from across West Yorkshire relating to the number of Ombudsman complaints received which highlighted that Kirklees had received significantly fewer complaints than anticipated by population and set out detail of third stage complaints, highlighting two service areas which accounted for 37% of third stage complaints.

The Local Government Ombudsman had proposed a new complaints code that was intended to set out a standard complaint procedure for all councils to follow prior to escalation to the Ombudsman. The code was expected to be introduced and followed by April 2026, with councils needing good cause to depart from the advice the Ombudsman provided. As part of the refreshed complaints process, it was intended to propose a new customer standards statement which affirmed the Council's commitment to providing accurate, helpful and timely advice to residents.

During considerations of this item, the Committee suggested that a pyramid of first level complaints be provided at service level, along with recording percentages of those complaints that transpired into second/third level complaints.

RESOLVED – That the Customer Services 2023/24 Interim Report be noted.

7 Annual Report on Treasury Management 2023/24

The Committee received the annual report on Treasury Management activities for the previous financial year. The report reviewed borrowing and investment performance.

Investments averaged £59.9 million and were largely deposited in instant access accounts earning an average interest rate of 5.26%. Total external borrowing at 31 March 2024 increased by £93.5 million to £707.3 million (£613.8 million as at 31 March 2023). The Council took £190 million new Government long term loans from the Public Works Loan Board (PWLB) and an additional £10 million Local Authority medium term loans (2-3 years). The large increase in long term loans were a result of borrowing for the capital plan, re-financing existing borrowing maturing during the year and a reduction in reserves. The Council converted temporary borrowing into fixed rate loan which accounted for 95.19% of total long-term debt giving the Council stability in its interest costs and minimising exposure to fluctuating short term rates. An external review of Minimum Revenue Provision (MRP) during 2023/24 identified an overprovision of £34.2m in total, allowing for a future in-year unwind of £6.3 million resulting in zero MRP charged to revenue in year.

During consideration of this item, the Committee suggested that the external auditors provide their comments on the MRP at a future meeting.

RESOLVED – That the Annual Report of Treasury Management 2023/24 be noted.

8 Draft Annual Governance Statement 2023/24

The Committee received a draft report noting the 2023/24 Annual Governance Statement prior to it being signed by the Chief Executive and Leader, and to consider whether the issues raised reflected the state of governance and control framework during 2023/24.

The Statement covered the period up until the Annual Financial Accounts 23/24 are approved and concluded that overall, the governance arrangements were fit for purpose. The Statement was a statutory requirement and accompanied the Statement of Accounts in order to provide readers with assurance about the governance and internal control environment in which they have been complied and to which they related.

The Statement highlighted a number of Significant Governance Issues. Several of the issues from the 2022/23 statement that had been brought forward reflected the nature of the issues and action required. Consideration had been given to a number of potential new issues and there had been incorporated. The actions and controls the Council were taking were contained within a recommended Action Plan.

During conversation of this item, the Committee raised concerns around governance of the council regarding portfolio holder posts not being filled, in particular a portfolio holder for finance. The Committee also felt that the control environment of the council wasn't as robust as in previous years, particularly around the recruitment of senior management. It was noted that the Committee felt the actions in the report were not actual actions but more of a generic statement. The Committee requested that the wording in the report be more specific.

RESOLVED – That the Draft Annual Governance Statement 2023/24 be noted.

9 Amendments to Risk Management Statement

The Committee received a report which provided amendments to the Risk Management statement.

The Risk Management Framework set out the approach that the council took in identifying, assessing, mitigating, monitoring and reviewing risks throughout the organisation. The revised Risk Management Policy and Risk Management Strategy and Guidance document provide the basis for the Risk Management Framework.

The Risk Management Policy replaced the existing Risk Management Statement dated 2018, and detailed the principles that the council adhered to, that ensured effective management of risk at all levels throughout the organisation. The Policy outlined the key roles and responsibilities for officers, and members and set out the governance routes that were followed for monitoring and reporting of risk.

The Risk Management Strategy and Guidance provided additional guidance of support to individuals involved in the application of the Risk Management Policy, with the Risk Appetite Statement was a separate document currently under development with a target completion date being at the end of Q2 2024-25.

Corporate Governance and Audit Committee - 28 June 2024

During conversation of this item, the description of the Inherent Risk Assessment in the Risk Management Strategy & Guidance was questioned, officers agreed to look at the description and provide examples.

RESOLVED – That the amendments to the Risk Management Statement be approved.

10 Agenda Plan 2024/25

The Committee reviewed the 2024/25 agenda plan.

RESOLVED - That the agenda plan for 2024/25 be approved.

KIRKLEES COUNCIL				
COUNCIL/CABINET/COMMITTEE MEETINGS ETC				
DECLARATION OF INTERESTS				
Corporate Governance and Audit Committee				
Name of Councillor				
Item in which you have an interest	Type of interest (eg a disclosable pecuniary interest or an "Other Interest")	Does the nature of the interest require you to withdraw from the meeting while the item in which you have an interest is under consideration? [Y/N]	Brief description of your interest	

Signed: Dated:

NOTES

Disclosable Pecuniary Interests

If you have any of the following pecuniary interests, they are your disclosable pecuniary interests under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.

Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.

Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -

- under which goods or services are to be provided or works are to be executed; and
- which has not been fully discharged.

Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.

Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.

Any tenancy where (to your knowledge) - the landlord is your council or authority; and the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -

- (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
- (b) either -

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.



Report title: Corporate Emergency Planning and Business Continuity Report

Meeting	Corporate Governance and Audit Committee
Date	26 July 2024
Cabinet Member (if applicable)	No cabinet member in place at the time of submitting this report.
Key Decision Eligible for Call In	No N/A
<p>Purpose of Report The report demonstrates the breadth and reach of the Corporate Emergency Planning Team, with contributions to place, regional and national programmes.</p>	
<p>Recommendations</p> <ul style="list-style-type: none"> It is recommended that the Corporate Governance and Audit Committee receive, note and discuss any areas of interest or concern. <p>Reasons for Recommendations</p> <ul style="list-style-type: none"> To ensure that the Corporate Governance and Audit Committee are appropriately reassured of the outcomes of the Emergency Planning Team over the past 12 months. 	
<p>Resource Implication: Outline the resource implications associated with implementing the recommendations set out in the report.</p> <ul style="list-style-type: none"> None 	
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer-Henshall 16 July 2024
Is it also signed off by the Service Director for Finance? N/A	N/A
Is it also signed off by the Service Director for Legal Governance and Commissioning? N/A	N/A

Electoral wards affected: All (with regards to Corporate Emergency Planning Team outputs)

Ward councillors consulted: N/A - The work the Corporate Emergency Planning Team undertake is in preparedness for an emergency which could impact any district in Kirklees. This work is in line with the Civil Contingencies Act (2004) and in consultation with key professional partners from other responding organisations.

Public or private: Public.

Has GDPR been considered? No personal data is presented within the report.

1. Executive Summary

- The report presented for the attention of the Corporate Governance and Audit Committee gives an overview of the Corporate Emergency Planning Teams outcomes over the past 12 months (1 April 2023 to 31 March 2024). It identifies that the Team are compliant with the core duties of the Civil Contingencies Act (2004) and the core competencies relating to Emergency Preparedness, Resilience and Response under the Health and Social Care Act (2013).
- The report outlines the number of incidents the team have responded to, how many hazard warning entries have been added to the system, how many exercises the team have delivered/attended, how much training they have delivered, and the advice they offered to schools (including educational visit signoffs).
- The report further breaks down specific outcomes using the core duties it holds under the Civil Contingencies Act (2004) including: Risk Assessment, Co-operation, Information Sharing, Emergency Planning, Business Continuity Management, Communicating with the Public, and Advice to Businesses.
- The report also gives a forward look of priorities over the next 12 months (1 April 2024 to 31 March 2025).

2. Information required to take a decision

For the Corporate Governance and Audit Committee to note and discuss any areas of interest or concern.

3. Implications for the Council

3.1 Council Plan

The report attached shows that the work of the Corporate Emergency Planning Team supports the Council Plan, and the Council's subsequent delivery of cross-council priorities as follows:

- Address our financial position in a fair and balanced way:
 - Deliver budget savings agreed in the 24/25 Annual Budget as fairly and inclusively as possible. The Corporate Emergency Planning Team carry out Integrated Impact Assessments along with consultations with internal and external partners to ensure we are not using or doubling up on response resources/activities unduly.
 - Proactive planning and management of communications with partners and staff around the budget and service delivery capabilities. This will help to improve staff and partner understanding of the budget challenges being faced, to help everyone impacted work together collaboratively.
 - The team monitor Grant Finder and other tools to apply for funding from external sources (often alongside partners for joint initiatives).
- Strive to transform council services to become more efficient, effective, and modern:
 - The most is made of technology to become even more modern, efficient, and effective. As such, the Corporate Emergency Planning Team offer the following (including, but not limited to) online options for training and meeting events, utilisation of the "free of charge" incident response system provided by the Cabinet Office (ResilienceDirect), virtual options for incident response control rooms, and virtual options for alerting to possible threat incidents which might impact Council facilities.
 - The development and use of data, to constantly benchmark services and look for best practice across local government to inform planning and decision making. The Corporate Emergency Planning Team are part of the West Yorkshire Local Resilience Forum, along with other multi-agency groups and

professional bodies, to ensure best practice is adopted within the teams' planning and decision-making activities.

- Continue to deliver a greener, healthier Kirklees and address the challenges of climate change:
 - The Corporate Emergency Planning Team consider, within their plans, the health and wellbeing of Kirklees staff and residents during an incident response/recovery, liaising with partners as appropriate to support this.
 - The Corporate Emergency Panning Team have a specific severe weather plan in place under the overarching Major Incident Plan which considers challenges of climate change.
 - The Corporate Emergency Planning Team utilise technological options to avoid any unnecessary journeys.
- Continue to invest and regenerate our towns and villages to support our diverse places and communities to flourish:
 - Work related to the regeneration of our towns and villages, including work towards our Blueprint ambitions. The Corporate Emergency Planning Team work closely with local Counter Terrorism structures to support preparedness and protection within new (as well as existing) designs, as well as within businesses/local events/schools/ faith organisations who may be at greater risk.

3.2 Financial Implications

By ensuring plans are in place, the response can be instigated timelier and in a more focused way to reduce the financial losses to the Council and limit the spend required for a response/recovery.

3.3 Legal Implications

The role of the Corporate Emergency Planning Team helps to reduce the risk of litigation to the Council and schools because of an incident impacting on Kirklees.

3.4 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)

- **Risk**

The work carried out relating to emergency planning and business continuity is considered within the corporate risk register.

- **Integrated Impact Assessment (IIA)**

IAs have been completed for the emergency response plans and other supporting workstream policies maintained by the Corporate Emergency Planning Team. These have been approved and published on the Council's IIA system. They include:

- [4x4 Response Plan](#)
- [Animal Health Response Plan](#)
- [Business Continuity Framework](#)
- [Business Continuity Service Level Plans](#)
- [Emergency Control Centre Activation Guide](#)
- [Emergency Planning Communications Policy](#)
- [Evacuation and Shelter Plan](#)
- [Fuel Disruption Plan](#)
- [London Bridge Plan](#)
- [Major Incident Plan](#)
- [Mass Fatalities and Excess Deaths Plan](#)
- [Strategic On Call Response Policy](#)
- [Outbreak Plan](#)
- [Community Recovery Plan](#)
- [Severe Weather Plan](#)

- [Threat Policy](#)
- [Invacuation, Evacuation and Run Hide Tell Guidance for Publicly and Non-Publicly Accessible Kirklees Councils Buildings.](#)

4 Consultation

N/A

5 Engagement

N/A

6 Options

6.1 Options Considered

For the Corporate Governance and Audit Committee to note and discuss any areas of interest or concern.

6.2 Reasons for recommended Option

The option and recommendation are relating to an annual report only. Therefore, there are no decisions required.

7 Next steps and timelines

N/A - due to this report being discussed within the meeting. An updated annual report will be presented in 12 months.

8 Contact officer

Laura Drew, Senior Emergency Planning Officer (07817 144 009,
laura.drew@kirklees.gov.uk)

9 Background Papers and History of Decisions

Previous annual reports presented to the Corporate Governance and Audit Committee have been received, noted and discussed.

10 Appendices

Annual Corporate Emergency Planning and Business Continuity Report.

11 Service Director responsible

Rachel Spencer-Henshall, Deputy Chief Executive and Executive Director for Public Health and Corporate Resources.

PURPOSE OF REPORT

This report provides an overview of resilience matters pertinent to the Council. The report covers the period from 1 April 2023 to 31 March 2024.

PERFORMANCE HEADLINES



Incident Response

44

Incidents responded to.

Including evacuations, severe weather events, utility failures, demonstrations, 'police incidents' etc.



Hazard Warnings

187

New hazards entered on the database.

Residents and properties that pose a potential risk to Council Officers working in the district.



Exercises

20

Exercises planned, delivered and attended.

Themes such as severe weather, business continuity, cyber, lockdown, evacuation, health, etc.

Training Delivered

32

Training sessions delivered.

Themes including lockdown, evacuation, ResilienceDirect, school offsite visits, role specific training, etc.



Advice to Schools

500+

Responded to over 500 calls/emails from schools relating to emergency planning, emergency response and offsite educational visits

Schools and other settings provided with emergency planning advice and support **(in and out of hours).**



Educational Visits

298

Adventurous and/or residential educational visits approved.

Schools continue to run safe off-site educational visits, delivering high quality outcomes for pupils.

KIRKLEES LOCAL CONTEXT

CORE
DUTY
01

RISK ASSESSMENT

- Reviewed the Kirklees risk assessments in line with the National Security Risk Assessment.
- Reviewed template risk assessments to assist schools planning and delivery of educational off-site visits.
- Consulted on the risk assessments for both schools delivering off-site educational visits and event organisers delivering community events in the Kirklees District.
- Undertook planned and dynamic risk assessments at single and multi-agency levels in the response to emergencies and events.
- Supported the work of the Corporate Risk Management Team by ensuring that, where possible, the Emergency Planning work programme mitigated corporate risks.
- Redesigned the risk assessment process for planned events going through the Kirklees Safety Advisory Group.
- Led the review of several West Yorkshire Resilience Forum risk assessments in line with the National Security Risk Assessment.

CORE
DUTY
02

CO-OPERATION

- Worked with council services and multi-agency partners, 24/7, in the response to and recovery from emergencies and planned events impacting health, communities, education, the environment, council service delivery, etc.
- Continued to support Locala in accordance with the long-standing Emergency Preparedness, Resilience and Response service contract.
- Arranged and facilitated the Kirklees District Pre-Winter Assurance Meeting (Council and local partners).
- Continued to work with council services and local partners to roll out Martyn's Law.
- Worked with the West Yorkshire Resilience Forum to review multi-agency plans, deliver exercises, respond to emergencies, etc.
- Delivered multi-agency exercises with Kirklees District emergency response partners from sectors, including emergency services and health and social care, to test plans, network, and understand the roles, responsibilities, capabilities, and interdependencies of each other.

CORE
DUTY
03

INFORMATION SHARING

- Chair, and are active members of, several Kirklees Council and multi-agency meetings, including the Kirklees Severe Weather Board, Safety Advisory Group and West Yorkshire Resilience Forum meetings.
- Actively use ResilienceDirect and other electronic platforms to share information with council teams and partners in emergency planning, response, and recovery, and for workstreams inc. the Safety Advisory Group and Martyn's Law.
- Co-ordination and facilitation of regular Kirklees Emergency Planning Group meetings to share risk and planning information with appropriate Council Teams and partners.
- Reviewed and circulated plans and policies relating to emergency planning, business continuity and school offsite visits.
- Co-ordinate the business continuity resilience reporting process, which provides a mechanism for strategic level organisational oversight, and which assists with the management of service delivery issues and pressures across the organisation.
- Co-ordination of the Martyn's Law workstreams and circulation of national and regional updates to member organisations and local businesses.
- Lead debriefs and regularly share best practice and learning from incidents and exercises with appropriate council teams and partner organisations.

CORE
DUTY
04

EMERGENCY PLANNING

- Provided a 24/7 emergency response function, responding to a range of incidents, including severe weather events, evacuations, utility disruptions, community safety issues, etc. Where appropriate, emergency plans were activated, and command and control structures were established.
- Facilitated the multi-agency planning for Council events and, where appropriate, wrote tactical plans and provided staff to work in event delivery roles (inc. Remembrance Sunday).
- Emergency Preparedness, Resilience and Response assurance submitted with substantial compliance.
- Maintained the Kirklees Major Incident Plan and its' associated chapters.
- Ran and attended several exercises to test Council, and partners plans and arrangements (themes included terrorism, death of the King (Operation London Bridge), Emergency Preparedness, Resilience and Response, evacuation and rest centres, national power outage, ResilienceDirect, Control of Major Accident Hazard sites, business continuity, severe weather, lockdown, etc.).
- Delivered several training sessions to council officers and partners (themes included ResilienceDirect, evacuation, emergency planning, business continuity, lockdown, logging, educational visits, role specific training etc.).
- Team members are qualified drone pilots and continue to maintain flight logs to retain this response capability.
- Debriefed incidents that required an enhanced response and monitored the completion of actions against deadlines.
- Assisted partner agencies around risk management and mitigation at key sites around Kirklees (inc. John Smith Stadium, St Andrews Road).

CORE
DUTY
05

BUSINESS CONTINUITY MANAGEMENT

- Continued to tactically advise and support the Corporate Business Continuity Team and facilitate its processes (such as the monthly resilience reporting process that collates information on service delivery and pressures across the organisation).
- Continued to advise and assist council teams and partner organisations to develop, review, maintain, and exercise their Business Continuity Plans and supporting arrangements.
- Reviewed the Corporate Business Continuity Framework.
- Continued to progress the roll out of a revised business continuity programme across the organisation. The revised programme includes learning from the Covid-19 pandemic and features more user-friendly plan templates.
- Provided business continuity advice and assistance to services and partners following a range of business disruptions, including utility loss, IT disruptions, staffing issues, and resourcing issues.

CORE
DUTY
06

COMMUNICATING WITH THE PUBLIC

- Worked with the Council and partner communication teams to ensure timely and appropriate messages were cascaded during emergencies and business disruptions.
- Worked with partners to understand the triggers and processes for utilising the national emergency alert service (targeted text messaging in an emergency).
- Delivered resilience and emergency planning lessons to educational establishments to promote the importance of emergency procedures to respond to a range of threats and incidents.
- Reviewed the emergency planning pages on the public facing Kirklees website, and on the intranet.
- Reviewed the suite of community resilience literature (on themes including evacuation, flooding, winter driving and business continuity).
- Took part in the national 30 days 30 ways initiative to improve community resilience.
- Continued to create and share a regular Martyn's Law newsletter and other relevant communications with community groups.

CORE
DUTY
07

ADVICE TO BUSINESSES

- Continued to promote community resilience literature to businesses (inc. the 10 Minute Business Continuity Plan).
- Continued to create and share a regular Martyn's Law newsletter and other relevant communication with businesses.

CORE
DUTY
08

OTHER

- Advised and assisted schools in their planning of educational visits, trained Visit Leaders and Educational Visit Co-ordinators, and authorised residential visits, and/or visits with adventurous activities.
- Supported multi-agency exercises as required.
- Supported other council teams to debrief planned events such as the Huddersfield Carnival and Mela.
- Continued to build and maintain the Council Security Culture Plan that brings together the different workstreams associated with security within the Council and Kirklees district.
- Continued to chair Kirklees Safety Advisory Group.
- Maintained a toolkit, and continued to plan, for the response to a national power outage or rolling power outages.
- Represented Kirklees at national level meetings relating to our roll out of Martyn's Law. We are being held as one of the areas of national best practice and have been invited to several national events to share our methodologies and processes.

FL

FORWARD LOOK

- Maintain an oversight of Kirklees Council's resilience and response capabilities during current budgetary pressures, amending plans and arrangements accordingly.
- Continue to roll out the revised business continuity programme across the organisation.
- Continue to Chair the Kirklees Safety Advisory Group and develop its processes.
- Roll out and test Corporate Invacuation, Lockdown and Run Hide Tell procedures across the organisation.
- Continue to strengthen the link between emergency planning, business continuity and cyber.
- Continue to roll out Martyn's Law and focus on local relationships to help bridge gaps and needs for local businesses impacted by the law once ratified.
- Continue to support Locala, under a long-standing contract, with their emergency preparedness.
- Explore the support requested by Local Care Direct under a new contract, to support the organisation with their Emergency Preparedness, Resilience and Response.
- Continue to review risk assessments and emergency plans.
- Continue to maintain and test the toolkit for the response to a national power outage.
- Continue to develop the use of ResilienceDirect to support information sharing and joint working.
- Continue to deliver training and exercising with council staff and multi-agency partners.
- Complete the 2024 NHS Emergency Preparedness, Resilience and Response assurance process.
- Live Exercise of Spen Valley Leisure Centre as an evacuation centre site.
- Work with the Communications Team to improve and disseminate community resilience (particularly during the 30 days 30 ways campaign, and at specific times of year such as summer and winter).
- Continue to maintain the EVOLVE system for off-site educational visits, support schools and train their staff.
- Maintain an overview of upcoming Civil Contingencies Act amendments, and possible new legislation, ensuring that Council arrangements and procedures remain compliant.
- Review and exercise the Plan for Operation London Bridge once new guidance is released (an interim review and exercise has taken place this year).
- Review Annual Integrated Impact Assessment to give assurance that plans and arrangements in place are in line with equality and diversity requirements.

WY
NC

WEST YORKSHIRE/NATIONAL CONTEXT

- Continue as active members of the West Yorkshire Resilience Forum (the team Chair two sub-groups).
- Complete national Emergency Preparedness, Resilience and Response assurance.
- Continue to develop plans and arrangements for the response to a national power outage.
- Maintain an oversight of the resilience and response capabilities of partner organisations during the current 'cost of living crisis' and amend plans and arrangements accordingly.
- Continue to Deputy Chair the National Fuel Resilience Group.
- Continue to support the National ResilienceDirect Development Group and its working groups.



REPORT TITLE: Corporate Governance and Audit Committee Annual Report

Meeting:	Corporate Governance and Audit Committee
Date:	26th July 2024
Cabinet Member (if applicable)	Cllr Cathy Scott
Key Decision Eligible for Call In	N/A
<p>Purpose of Report: This report sets out a summary of the work undertaken by the Corporate Governance and Audit Committee during 2023/24. It also provides assurance that the Committee complies with the CIPFA's Position Statement: Audit Committees in Local Authorities and Police.</p>	
<p>Recommendations:</p> <p>The Corporate Governance and Audit Committee is requested to: -</p> <ol style="list-style-type: none"> 1) Note the assurances set out in this report that the Committee complies with CIPFA's Position Statement: Audit Committees in Local Authorities and Police; and 2) Approve the draft Annual Report at Appendix A to this report for onward submission to Council. <p>Reasons for Recommendations In accordance with best practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA), this report demonstrates how the Committee has discharged its responsibility.</p>	
<p>Resource Implications: There are no resource implications.</p>	
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer-Henshall – 10.07.24
Is it also signed off by the Service Director for Finance?	N/A
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Samantha Lawton - 02.07.24

Electoral wards affected: Not Applicable

Ward councillors consulted: Not Applicable

Public or private: Public

Has GDPR been considered? There are no GDPR implications

1. Executive Summary

This report sets out the draft annual report of the Corporate Governance and Audit Committee for the 2023/24 municipal year

2. Information required to take a decision

The report demonstrates how the Committee supports the Council's governance and audit arrangements, and in doing so supports the Council to deliver the vision and priorities set out in the Council Plan.

3. Implications for the Council

3.1 Council Plan

Strong, effective corporate governance and audit assurance underpins the work of the Council in delivering all of its priorities outlined in the Council Plan.

3.2 Financial Implications

Not applicable.

3.3 Legal Implications

Not applicable.

3.4 Other (eg Risk, Integrated Impact Assessment or Human Resources)

Not applicable.

4. Consultation

Not applicable.

5. Engagement

Not applicable.

6. Options

Not applicable.

6.1 Options considered

Not applicable.

6.2 Reasons for recommended option

Not applicable.

7. Next steps and timelines

Subject to approval by the Corporate Governance and Audit Committee, the Annual Report will be considered at Council.

- 8. Contact officer**
Nicola Sylvester, Principal Governance and Democratic Engagement Officer. 01484
221000
- 9. Background Papers and History of Decisions**
None
- 10. Appendices**
Appendix 1 Corporate Governance and Audit Committee Activity – 2023-24
- 11. Service Director responsible**
Samantha Lawton – Service Director – Legal Governance and Commissioning.

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Corporate Governance & Audit Committee



Annual Report of the Corporate Governance and Audit Committee 2023/24

Foreword by James Homewood – Chair

I am delighted to introduce an annual report of Corporate Governance and Audit Committee, summarising the contribution we have made during the Municipal Year to the achievement of good governance and internal control within the Council.

This report seeks to chart our progress during the 2023/24 Municipal Year in providing that degree of independence, challenge and questioning across a wide range of control and corporate governance matters, and I thank all Members for the contributions they have made.

We have:

- Overseen the production of the Annual Governance Statement for 22/23.
- Approved the Council's accounts for 22/23.
- Overseen the work of internal audit, established a risk-based audit plan and reviewed the quarterly and annual report from the Council's Internal Audit team.
- Reviewed the Constitution, Financial and Contract Procedure Rules.
- Ensured that assurance reports have been reviewed in detail on the key aspects of the Council's internal control arrangements including:
 - Risk management
 - Business Continuity
 - Financial management (including arrangements for Treasury management)
 - Customer access and complaints handling
 - Information governance
 - Health and Safety arrangements
- Considered the statutory polling district and places review.
- Provided robust challenge to our arrangements and monitoring for areas in need of improvement.

The Committee is supported by a number of officers who attend regularly and bring expertise in relation to governance, internal audit and finance. Without the support of the staff, it would not be possible for the Audit Committee to be as highly effective as it is. I would like to thank everyone who took time to contribute to our extensive work programme.

In addition to the work undertaken through our formal meeting cycle, I have been pleased, as the Committee's chair, to engage in the Yorkshire and Humberside Audit Chairs forum of which I was appointed Chair.

1. INTRODUCTION

Governance in, and of the public sector, continues to be high profile with the Chartered Institute of Public Finance and Accountancy (CIPFA) supporting good practice in local government. The Local Government Association also produces substantial useful material on how a successful local authority should be governed. Being well managed and well governed are important attributes in helping to improve performance and in reducing the risk of failing to achieve our objectives and providing good service to our community.

This Annual Report to Council demonstrates the importance Kirklees Council places on the authority's governance arrangements. The report on the work of the Council's Corporate Governance and Audit Committee demonstrates:

- How the Corporate Governance and Audit Committee has fulfilled its terms of reference.
- The extent to which arrangements comply with national guidance relating to audit Committees.

The benefits to the Council of operating an effective Audit Committee are:

- Maintaining public confidence in the objectivity and fairness of financial and other reporting.
- Reinforcing the importance and independence of internal and external audit and any other similar review process; for example, reviewing and approving the Annual Statement of Accounts and the Annual Governance Statement, and the Quarterly Reports from Internal Audit and the Annual Report from the Head of Audit.
- Providing focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of the financial reporting process, including specific review on behalf of the Council of specialist accounting policy and practice – such as Treasury Management.
- Enabling the co-ordination of sources of assurance and, in so doing, making management more accountable.
- Providing additional assurance through a process of independent and objective review.
- Raising awareness within the Council of the need for governance, internal control, and the implementation of audit recommendations.
- Monitoring of related areas such as the Council's approach to threats from fraud, bribery, and corruption.
- How the Corporate Governance and Audit Committee has contributed to strengthening risk management, internal control, and governance arrangements.

This report provides additional assurance and links to the Annual Governance Statement, which is approved by the Committee.

2. COMMITTEE INFORMATION

Audit Committee Membership

Seven elected members and one independent member served on the Committee in 2023/24:

- Councillor James Homewood (Chair)
- Councillor Yusra Hussain
- Councillor Kath Pinnock
- Councillor Harry McCarthy
- Councillor Naheed Mather
- Councillor Melanie Stephen
- Councillor John Taylor

- Chris Jones (Independent Person)

Substitutes were invited to attend and contribute to all meetings and training.

Training

The Committee continues to undertake training, and this year they have received training in relation to:

- Treasury Management, provided by Arlingclose (independent treasury advisers)

3. COMMITTEE BUSINESS

The Committee met on nine occasions during the year with meeting dates structured around the regular receipt of annual assurance reports, external and internal audit reporting cycles, and the statutory requirements around the production of the Accounts and Annual Governance Statement. The Committee adds value through its questioning and challenge whilst receiving additional information as requested at meetings. Meetings are open to the public, so they can witness in person the challenge the Committee bring. Part way through the year web broadcasting was added to further enable public access and oversight.

This frequency of meetings ensures the Committee can fulfil its responsibilities in an efficient and effective way and has been benchmarked against the CIPFA recommended practice and arrangements in other local authorities.

A list of the reports considered by the Corporate Governance and Audit Committee can be found in **Appendix A**. The main outcomes of the Committees work in relation to its core functions can be summarised as follows:

Accounts & Treasury Management

Council has delegated to the Committee authority to approve the Statement of Accounts including whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit.

The Committee also considers matters related to Treasury Management matters prior to recommending these to Council who formally determine treasury management policy.

The Committee has:

Account Authorisation

- Received and considered the Council's Final Accounts 2021/2022 and 2022/23 incorporating the Annual Governance Statement. There is delegated authority for the Chair of Corporate Governance and Audit Committee and the Service Director – Finance to sign the final accounts once external auditor had issued the audit opinion.

Treasury Management

- Received the Annual report on Treasury Management 2022/23, incorporating Treasury Management activities for the previous financial year which reviewed borrowing and investment performance.
- Received the Mid-year report on Treasury Management 2023/24, providing assurance that the Council's treasury management function was being managed prudently and pro-actively, and complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy.
- Received the Treasury Management Strategy and Investment Strategy 2024/25, providing information on (i) the outlook for interest rates and credit risk, and a recommended investment strategy (ii) the current and estimated future levels of Council borrowing (internal and external) and a recommended borrowing strategy (iii) methodologies adopted for providing for the repayment of debt and a recommended policy for calculating minimum revenue provision (iv) other treasury management matters including the policy on the use of financial derivatives, prudential indicators, the use of consultants and the policy on charging interest to the housing revenue account and (v) recommended an annual investment strategy (Non-Treasury Investment) for the Council in 2024/25.

Other Financial Management

- Considered the Annual report on bad debt write-offs which detailed the debts written off in the financial year 2022-23. It was noted that business rate write-offs were down compared to the previous year and that the service was carrying out a single person discount review for council tax.

External Audit

The external auditors for both financial years were Grant Thornton. The firm was appointed by Public Sector Audit Appointments Ltd (PSAA) (a subsidiary of the Local Government Association) who manages the appointment of external auditors for the vast majority of English local authorities. Following a further competition PSAA reappointed Grant Thornton as auditors for the financial year 2023/24, and the next four years.

In keeping with many other authorities, the final sign-off for the accounts for 2021/22 took place during the municipal year 2023/24, approximately one year later than was intended, following clarity on the national approach to the authorisation of certain types of accounting entries. The external auditors were also able to present their report on the accounts that related to the financial year 2022/23 only slightly behind the national target times, so the council's auditors presented opinions on two years to accounting information during 2023/24.

The Committee played a significant role in overseeing the Council's relationship with its appointed external auditors, Grant Thornton, and took an active role in reviewing the external audit plan and updates alongside the finding of the value for money review.

The Committee has:

- Received the external audit interim plan 2021/22, which set out a summary of the work of the Auditors with specific regard to financial sustainability, governance and improving economy, efficiency and effectiveness of the Council, and discussed the importance of the value of more regular performance reporting and questioned the capacity of the Council to meet the financial challenge it faced.
- Received the Audit Plan 2022/23, which advised that the Council had set a balanced budget for 2023/24 against the backdrop of significant financial challenges and embarked on and noted that the Council was embarking on a transformational savings programme, requiring rigorous monitoring, which aimed to restore financial balance and avoid the depletion of reserves to an unsustainable level. It was reported that the 2021-22 audit had not yet concluded due to delays in obtaining appropriate assurances from the auditor of the West Yorkshire Pension Fund.
- Received the External Audit Findings Report 2021/22. Grant Thorntons work was substantially complete and there were no matters that required modification to their audit opinion or material changes to the financial statement subject to the outstanding matters in the report.
- Received the interim External Audit Findings Report 2023. Grant Thorntons work was substantially complete and there were no matters that required modification to their audit opinion or financial statement shown in the report. It was anticipated that the audit report opinion would be unqualified and discussed (i) audit findings around SAP controls (ii) the minimum revenue provision (iii) the progress in relation to financial sustainability and the achievement of identified savings (iv) the recovery plan in respect of the Dedicated Schools Grant.
- Received the Auditors Annual Report 2022/23. The report set out a summary of the work of the Auditor's with specific regard to financial sustainability, governance and improving economy, efficiency, and effectiveness of the Council. The auditors report highlighted concerns about financial sustainability and the challenges of the savings planned, which they believed that the council needed to address through its budget setting process for 2024/25. As the auditors issued their key recommendation in July 2023, it was appropriate that the significant weakness in financial sustainability identified at that point remained in place for the current year of audit (2022/23) and discussed the sharing of information with Committee members, the culture of staff understanding the importance of making savings and working differently with Communities.

- Assurances were sought from the external auditors on how confident they felt that the Council were on track with addressing the significant financial challenges due to the continuing overspend in all areas.
- Received the Audit Progress Report and Sector Update. Grant Thornton advised on the audit teams changes following conclusion of the 2022-23 audit cycle along with the update including a summary of emerging national issues and developments that were relevant along with a number of challenging questions in respect of emerging issues.
- The Committee noted that both the value of money and final accounts audit assurance reports included recommendations to mitigate risks or avoid recurrence of issues (in areas such as budget management, IT controls etc). They determined that they felt that officers of the council needed to be clearer about actions taken and asked for a routine reporting back (which will start in 2024/25) re the 2021/22 and 2022/23 external auditors report.
- Received a report on Informing the Audit Risk Assessment for Kirklees Council which asked council officers to complete details which consisted mainly of a schedule of issues relating to (i) General Enquiries of Management (ii) Fraud (iii) Fraud Risk Assessment (iv) Laws and Regulations (v) Impact of Laws and Regulations (vi) Related Parties with whom the council had or recorded transactions (vii) Going concerns (viii) Accounting Estimates (ix) Accounting Estimates – General Enquiries of Management.
- Received the External Audit Plan 2023/24, which advised that Grant Thornton was responsible for forming and expressing an opinion on the council and groups financial statements that had been prepared by management with the oversight of those charges with governance which included (i) Significant risks (ii) Group Audit (iii) Materiality (iv) Value for Money arrangements (v) Audit logistics.

Internal Control

The Council has delegated to the Committee authority to approve the Annual Governance Statement and the Committee works closely with the internal audit functions, both overseeing the independence and effectiveness of the service, and receiving assurance to the adequacy and effectiveness for the Council's internal control environment.

The Committee has:

- Noted and received the Annual Governance Statement 2022/23, prior to it being signed off by the Chief Executive and Leader of the Council, which concluded that overall, the governance arrangements remained fit for purpose. The statement highlighted a number of 'Significant Governance Issues'. The actions and controls the Council is taking were contained within a recommended action plan which was intended to be the subject of internal monitoring, with reporting back to Executive Team and the Committee during 2023/24.
- Noted information relating to internal audit work. In Quarter 1 to 4 of 2023/24 (the final quarterly report was considered at the May 2024 meeting) which included the number of audits completed and the assurance relating to the audits. During the year, the format of these quarterly reports was amended, so that more information was contained within a public report. The Committee discussed topics such as assurance on budget management and forecasting processes and determined that in order to improve the awareness of the committee as regards the implementation of audit recommendations, they would ask Internal Audit to make changes to their follow up work, so that the Committee were aware of the progress made.

- The committee acknowledged that there had been no regulation of Investigatory Powers Act activity during the periods 2023/24.
- An Internal Audit update during summer 2023 set out the proposed audit plan for the second half of 2023/24 was also received. The committee considered the allocation of resources and noted that greater emphasis during school audits was to be put on those with budget deficits.
- The Committee agreed the Internal Audit Plan for Spring and Summer 2024 and the indicative plan for Autumn /Winter 2024/25. They asked that timings for audits be identified quarterly to improve incentives on auditors and management to complete work promptly and asked that further analysis take place as they noted that on balance internal audit work on schools, including those with risks, were probably disproportionately resourced compared to other areas of internal audit activity where assurance was sought. The committee also asked that additional resource be devoted to areas with a regulatory risk, particularly in relation to social housing.
- Received and Noted the Risk Management Annual Report 2023/24. The report explained that robust risk management was a central feature of good governance and the Council's approach to risk management had built on the success of the previous year with proactive risk management continuing. Although significant progress had been made, there remained a level of inconsistency in the extent that risk management was embedded within the day-to-day operations and the culture of the council. It was still necessary to drive greater improvements which needed to be both realistic and proportionate as set out in the report and discussed the risk framework used at a strategic level, the procedure if a risk remained unchanged for 12 months and how the framework was used to inform decision making.
- Received a progress report against the Annual Governance Statement 2022/23 action plans which advised that issues identified in the 2022/23 statement would form part of the draft 2023/24 Annual Governance Statement. Further actions taken and planned actions in 2023/24 were provided.
- The committee was informed that the regulator of Social Housing had submitted notice to make improvements to the standards of fire safety, damp and mould. It was noted that Kirklees had self-referred to the regulator and understood its responsibilities. The Committee noted that the housing improvement board had been established which should help to strengthen governance, and they asked that the internal audit plan for 224/25 include resources to assist and assess the improvement plan.
- Considered the Internal Audit Plan for 2024/25 which provided independent assurance about the business processes for the Council following a programme of work to give coverage across the organisation's areas of risk. The Committee suggested that the housing system (CX) to be implemented should be included within the Audit plan.
- The Democracy Commission was referenced, with a suggestion that an update on the Democracy Commission recommendations to be provided at future meeting. It was noted that the Committee felt the Annual Governance Statement was unclear on the impact of delivery on services and focussed more on process.
- The Committee reflected on the agenda items of the Committee and requested that documents and agenda items that complimented each other were on the same agenda, along with an agenda plan to be published.

Corporate & Other Organisational Assurance

The Committee plays a significant role in reviewing assurance reporting from other areas of the Council.

The Committee has:

- Received the emergency planning and business continuity annual report which provided a snapshot of the work of the Emergency Planning Team and provided assurance to the Committee that they were compliant with the core duties in the Civil Contingencies Act and discussed the proportionate approach to the risks and threats faced by the Council and areas of weakness within Emergency Planning.
- Received a report providing an update on the Information Governance service and offer outlining key events and activities across the year. Members acknowledged the increased number of Freedom of Information and Subject Access Requests along with measures in place to deal with backlogs.
- Considered the interim and annual reports on Corporate Customer Standards 2022/23, providing examples of complaints and discussed how the corporate customer standards complaints process was looking to develop and improve over the next couple of years whilst welcoming the work being undertaken with the Restorative Practice Team.

The Committee plays a significant role in overseeing the work of those areas of the council designed to ensure strong corporate governance.

The Committee has:

- Considered changes proposed to both the Planning Scheme of Delegation and to Planning Committees which included moving from the current three committee structure to two planning committees. Suggested recommendations from the committee were put forward that the wording in relation to proposed changes to the scheme of delegation in relation to applications for the modification of the definitive map and statement under the Wildlife & Countryside Act 1981 and to the Planning Committee Protocol.
- Considered the Annual report on bad debt write-offs which detailed the debts written off in the financial year 2022-23. It was noted that business rate write offs were down compared to the previous year and that the service was carrying out a single person discount review for council tax.
- Received a report setting out a review of the Council's polling districts and polling places, which had been conducted in conjunction with the (Acting) Returning Officer to seek improved accessibility to polling stations for electors within the defined areas and ensured that Kirklees had a polling scheme in place which reflected the new Parliamentary constituencies.
- Received a report which set out a provisional schedule of Council meeting dates for 2024-25 municipal year and highlighted that there were no planned meetings between Feb 25 and July 2025 apart from the meetings solely for consideration of the Budget and AGM.
- Received an update on representation on Outside Bodies, The Service Director, Legal, Governance and Commissioning has delegated authority in consultation with Group Business Managers to receive and process nominations to the Outside Bodies. Changes to the Council's Outside Body representation had occurred and had been incorporated into the Council's database of outside body representation.

- Received an update of Democracy Commission recommendations of retaining the current Leader and Cabinet model of governance whilst strengthening the existing scrutiny functions, increasing dialogue with Cabinet Members on key strategic issues to increase transparency and develop formal and informal engagement with members, along with identifying potential barriers preventing some members being appointed to committees/panels due to timing, frequency, and location. Members noted that pre-decision scrutiny worked well when there was open and transparency in sharing information and that pre-decision scrutiny recommendations should be added into officer's reports.
- Received proposed revisions of the Terms of Reference for the Kirklees Health and Wellbeing Board 2024/25 ensuring that the Board would meet its statutory obligations and fulfil the local and national policy commitment to partnership-based approaches to improving health and wellbeing suggesting that Schools/Colleges be represented on the Board.
- Received the proposed amendment of arrangements for Corporate Parenting Board which advised that to support the establishment of broader partnership arrangements, and to strengthen current arrangements in supporting child in care and care leavers, it was proposed that the current arrangements be amended to reflect that the Board would be a closed partnership meeting following the revision of the terms of reference and revised corporate parenting strategy.
- Received proposed amendments to contract procedure rules advising that the proposed changes were minor updates to the procurement threshold limits and updated rule 8 disposals.
- Received proposed amendments to financial procedure rules advising that the proposed changes related to capital budgeting, budgetary control arrangements and minor changes regarding grants.
- Received proposed amendments to the Council's Constitution which proposed changes in relation to different parts of the constitution. It was noted there had been some changes using delegated authority granted to the Monitoring Officer to reflect changes to officer's titles, typing or grammatical errors, old references and new legislation. Suggestions were made to define wording in the constitution. Members supported the changes for the process for responses to written questions at full council meetings, but not for the proposed amendments to questions at Cabinet and wider committee/Board/Panel meetings. It was noted that this change along with speaking rights for Member and public at committees be considered as part of a future review.

Matters identified during consideration of items at the meetings were:

- Follow up and receive additional information on the Audit findings for Kirklees Stadium Development Ltd.
- Follow up on assurance on budget management and forecasting processes.
- Lead Members to be asked to consider a meeting of Council between February and July 2025.
- An agenda plan of the Committees agenda items to be published.
- An update on the Democracy Commission recommendations.
- Services that had not implemented audit recommendations be invited to committee meetings to provide updates.

Knowledge and Skills Framework

Members bring with them a range of knowledge and skills from their working life and elected representative roles to the work of the Committee. The Committee's skills and knowledge was further complemented by the non-voting co-opted independent member, who was able to bring professional knowledge, skills, and experience to assist the committee with its work in seeking assurance and actions from management. The Committee intends to self-evaluate their effectiveness in providing assurance to the Council, as a part of good practice (this will be done early in the 2024/25 municipal year).

As in previous years, the Head of Accountancy provided training to the Committee in preparation for their examination of the Accounts and further training is provided to Members as necessary.

Looking Forward

I'm pleased to pass the role of Chair on to Councillor John Taylor who has been an active member of the committee for several years, and I am sure will steer the Committee through the challenges we all face together in the year ahead.

The Committee will continue with its regular receipt of reports, and the Committee will provide the usual level of robust challenge to corporate governance and audit practice and procedure across the authority to ensure that our arrangements are up to date and fit for purpose, communicated, embedded, and routinely complied with. In addition, the Committee will be more involved in setting the agenda, looking to take further deep dives into areas of concern, with the aim of the Committee adding more value and further strengthening our governance approach.

Councillor James Homewood

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Reports		June 23	July 23	Sep 23	Nov 23
Annual Report on Treasury Management 22-23					
Corporate Customer Standards Interim Report 22-23					
Kirklees Auditors Annual Interim Report 21-22					
Corporate Emergency Planning and Business Continuity Annual Report					
Audit Plan 22-23					
Draft Annual Governance Statement 22-23					
Planning Scheme of Delegation and Planning Committees					
CGA Annual Report					
Internal Audit Update 22/23					
Annual report on bad debt write-offs 22-23					
Annual Governance Statement 22-23					
Corporate Customer Standards Annual report 22-23					
Draft Audit Findings Report					
Half Yearly Monitoring Report on Treasury Management Activities 22-23					
Audit Findings Report					
Statutory Polling District and Places Review					
Quarterly Report of Internal Audit Q2 22-24 July 2023 to September 2023					
Information Governance Annual Review					
Audited Financial Statements					

Reports	Jan 24	Feb 24	March 24	Apr 24	May 24
Auditors Annual Report 2022/23					
Risk Management Annual Report 2023/24					
Treasury Management Strategy and Investment Strategy 2023/23					
Dates of Council Meetings 2024/25					
Quarterly Report of Internal Audit Q3 2023/24					
Audit Findings					
Approval of the Council's final accounts for 2021/22					
Risk Management Update					
IT Audit Controls Update					
Representation on Outside Bodies					
Annual Governance Statement progress report					
Audit Progress Report and Sector Update					
Implementation of Democracy Commission Recommendations update					
Proposed revisions to the terms of reference for the Kirklees Health and Wellbeing Board 2024/25					
Internal Audit Plan for 2024/25 and Associated matters					
Informing the Audit Risk Assessment for Kirklees Council					
Kirklees Council External Audit Plan 2023-24					
Proposed Amendment of arrangements for Corporate Parenting Board					
Proposed Amendments to Contract Procedure Rules					
Proposed Amendments to Financial Procedure Rules					
Internal Audit Annual Report for 2023/24					
Internal Audit Plan 2024/25					

Quarterly report of Internal Audit Q4 – Jan 24-March 24					
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REPORT TITLE: INDEPENDENT MEMBER OF THE COMMITTEE

Meeting:	Corporate Governance & Audit Committee
Date:	26th July 2024
Cabinet Member (if applicable)	
Key Decision Eligible for Call In	No No – Information report
<p>Purpose of Report To consider whether the Committee should seek approval from Council to appoint a second independent member</p>	
<p>Recommendations</p> <ul style="list-style-type: none"> That the committee determine if they wish to request council for permission to appoint a second independent member <p>Reasons for Recommendations</p> <ul style="list-style-type: none"> An independent member provides an opportunity for the Committee to benefit from additional financial skills and relevant audit and governance experience from outside the Council, and continuity of membership. A second independent member would bring greater resilience to this arrangement and enable the committee to benefit from a wider skill and experience base. 	
<p>Resource Implications:</p> <ul style="list-style-type: none"> Minor additional cost as this post is paid a nominal allowance (typical of other local authorities) 	
<p>Date signed off by <u>Strategic Director</u> & name.</p> <p>Is it also signed off by the Service Director for Finance?</p> <p>Is it also signed off by the Service Director for Legal Governance and Commissioning?</p>	Not applicable

Electoral wards affected: all

Ward councillors consulted: none

Public or private: public

Has GDPR been considered? yes

1. Executive Summary

The Committee currently has one independent member who was appointed in March 2023. There is a good practice recommendation that local authority audit committees should have two independent members, and the matter has been raised by the external auditor. In previous informal discussion by the Committee, they have indicated a desire to consider this matter. The Committee will need to seek permission from Council to amend the terms of reference to approve an additional independent member.

2. Information required to take a decision

- 2.1 In summer 2022, the government indicated an intention to create a statutory obligation for local authorities to have an Audit Committee, including an independent member, although initially this would be on a voluntary basis. This matter has never been progressed formally. However, in discussion on this, the Committee considered that there would be merit to adopting the proposal and agreed to seek an independent member.
- 2.2 Following approval by Council, the committee progressed a competitive recruitment process, and an independent member was appointed in March 2023.
- 2.3 Independent members can bring experience of wider governance and control, from organisation in different sectors. The involvement of the current independent member has strengthened the committees skills particularly with regard to financial knowledge and financial governance. A second independent member would facilitate a further broadening of that skill and knowledge base.
- 2.4 The term of engagement was for 3 years, (nominally 3 x annual appointment, but terminable by either party at any time) with the intention that recruitment takes place for replacement at that stage.
- 2.5 The CGAC independent member is, like independent members on Council Scrutiny committees, a co-optee, without formal voting rights.
- 2.6 The role carries a nominal payment, similar to that offered by local authorities (although less than other public bodies, or the private sector), but recognises that the participant is being asked to add "professional skill and knowledge."
- 2.7 Recruitment was through the same council processes as is used to recruit independent members to other council committee and forums. (the current role profile is attached)
- 2.8 Taking on board the recommendation of the external auditor, and CIPFA the Committee has previously indicated a desire to consider the appointment of a second independent member.
- 2.9 Matters worth considering as a part of this are:
 - a) A second independent member would enable a continuity when there is a change in the other independent member and or normal councillor nominees
 - b) It is important that any independent member complements and adds to the skills of the committee. Where there are two independent members, they ideally should have different skill sets- to avoid any kind of group think or repetition
- 2.10 As a part of this reconsideration the Committee may also want to consider if they might want the tenure of the independent members to be extended somewhat. It is important that this is not perpetual, as the nature of independence is that they are not inculcated into the practices and rituals of the organisation, but an extension to say a 4-year maximum term may be appropriate.
- 2.11 If the Committee is minded seeking authority, they will then need to agree the role description and establish the methodology for recruitment.

- 3. Implications for the Council**
Having an effective Corporate Governance & Audit Committee is a part of demonstrating sound overall control arrangements in the Council. Having independent co-optees supplements the skills and experiences already brought by elected members.
- 3.1 Working with People**
No directly applicable.
- 3.2 Working with Partners**
No directly applicable.
- 3.3 Place Based Working**
No directly applicable.
- 3.4 Climate Change and Air Quality**
No directly applicable.
- 3.5 Improving outcomes for children**
No directly applicable.
- 3.6 Financial Implications**
Independent members should in part assist implementation of strategic and operational financial and business controls.
- 3.7 Legal Implications**
No directly applicable.
- 3.8 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)**
A strong and effective Audit Committee should ensure effective corporate governance of the Council. Many of these aspects will be about financial achievements and control, but there are other aspects (as 3.1 to 3.5 above) where an effective contribution by an independent members should enhance the assurance and oversight, and thus the achievement of successful performance against all aspects of service provision.
- 4. Consultation**
None directly
- 5. Engagement**
None directly
- 6. Options**
The Committee needs to consider the following questions.
- Does it wish to seek authority to appoint a second independent member at this time?
 - Does it wish to seek to extend the term of the current independent member and new member to a period of up to 4 years each (by annual incremental stages)?
 - Does it wish to appoint in a similar way to that used to select the current independent member or to change the way in which nominees are sought to ensure a greater diversity of applicants?
- 7. Next steps and timelines**

Seek authority from Council to appoint a second independent member and any other changes as appropriate. Consider a further report to finalise the role description and recruitment arrangements.

8. Contact officer

Martin Dearnley Head of Audit & Risk.

9. Background Papers and History of Decisions

CGAC report 30th September 2022

10. Appendices

Role profile

11. Service Director responsible

The Head of Risk & Internal Audit holds responsibility for the planning, operation and reporting by Internal Audit.

The statutory officers with a responsibility for overseeing the internal audit function are:

- Samantha Lawton Service Director for Legal Governances & Commissioning.
- Kevin Mulvaney Service Director for Finance.

Corporate Governance & Audit Committee Co-optee Role Profile

Definition:

What is a Co-optee?

A Co-optee is a lay person, with an interest in oversight and governance of decisions and administrative actions that are being made by the council.

A Co-optee will contribute equally to the constructive work of the Corporate Governance and Audit Committee.

When decisions are taken by vote, the Co-optee will have the right to participate in the discussion but will not have the right to vote.

Experience, Skills and Knowledge:

What are the key experiences, skills, and knowledge do you need to effectively carry out the role?

- Knowledge as a finance professional (demonstrated by qualifications held, or gained, or experience in a large organisation).
- Experience of dealing with professional experts and advisors (such as external auditors).
- Experience of corporate governance, gained by working with, or within, a complex multifunctional organisation in any sector, including national or international commercial organisations.
- Effective communication.
- Listening, questioning and constructively challenging.
- The ability to look at issues from a broad perspective across Kirklees and beyond.
- Knowledge of the Kirklees area, its demography, and its challenges.
- The ability to work as a team with other Committee members and officers.
- The ability to weigh up information to reach conclusions and recommend actions.
- An interest in local matters.
- The ability to listen with an open mind to the points of view of others.
- The ability to not pre-judge outcomes or show bias, for example, party political bias.
- An ability to attend meetings of the committee, held during the daytime, in person wherever possible.
- A level of IT skills and connectivity (to participate in online virtual meetings if necessary).

Key tasks:

What are the key tasks associated with the role?

- Attending Committee meetings, approximately six times per year (additional meetings on an exceptional basis) with a commitment to attend most, if not all meetings. Please note that there is an expectation that you will attend meetings in person rather than virtually
- Attending the compulsory training provided.
- Reading papers and reports in preparation for meetings.
- Asking appropriate questions on issues.
- Assessing the evidence and information provided at meetings to form views and opinions.
- Contributing to discussions and to consideration of proposed actions.
- Undertaking work on assigned tasks (limited).



REPORT TITLE: External Audit Recommendations Report

Meeting:	Corporate Governance & Audit Committee
Date:	26 July 2024
Cabinet Member (if applicable)	
Key Decision Eligible for Call In	No No – Information report
<p>Purpose of Report To advise the committee of progress against the recommendations made by the external auditor following their work in 2021/2022 and 2022/23</p>	
<p>Recommendations</p> <ul style="list-style-type: none"> • That the report be noted • The Committee consider if there are any areas covered in relation to which they require any further information <p>Reasons for Recommendations</p> <ul style="list-style-type: none"> • The report is provided for monitoring and oversight for good governance 	
<p>Resource Implications:</p> <ul style="list-style-type: none"> • None from this report; addressing recommendations should improve governance or control 	
Date signed off by <u>Strategic Director</u> & name.	11 June 2024
Is it also signed off by the Service Director for Finance?	11 June 2024
Is it also signed off by the Service Director for Legal Governance and Commissioning?	11 June 2024

Electoral wards affected: all

Ward councillors consulted: none

Public or private: public

Has GDPR been considered? yes

- 1. Executive Summary**
The attached appendices provide monitoring information in relation to Appendix A; Progress against the External Auditors Recommendations
- 2. Information required to take a decision**
This is contained in the Appendix.
- 3. Implications for the Council**
Progress against Action Plans and in implementing recommendations is important as demonstrating a sound set of control arrangements and good governance.
 - 3.1 Working with People**
Not directly applicable.
 - 3.2 Working with Partners**
Not directly applicable.
 - 3.3 Place Based Working**
Not directly applicable.
 - 3.4 Climate Change and Air Quality**
Not directly applicable.
 - 3.5 Improving outcomes for children**
Not directly applicable.
 - 3.6 Financial Implications**
Refers in part to improving strategic and operational financial controls
 - 3.7 Legal Implications**
Not directly applicable.
 - 3.8 Other (eg Risk, Integrated Impact Assessment or Human Resources)**
Implementation of recommendations should improve overall control arrangements and promote good governance.
- 4. Consultation**
With senior management, who are responsible for implementation.
- 5. Engagement**
Not applicable.
- 6. Options**
Not applicable.
- 7. Next steps and timelines**
Actions as set out in plans for those not yet implemented.
- 8. Contact officer**
Martin Dearnley Head of Audit & Risk;
- 9. Background Papers and History of Decisions**

Actions contained within Grant Thornton reports previously presented to this Committee.

10. Appendices

Appendix A; Progress against the External Auditors Recommendations

11. Service Director responsible

Samantha Lawton, Service Director for Legal Governances & Monitoring

Kevin Mulvaney, Service Director for Finance

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**KIRKLEES COUNCIL.
EXTERNAL AUDITORS RECOMMENDATIONS
PROGRESS MONITORING**

This report contains information about the general Improvement Recommendations made by Grant Thornton in the year 2022/23, and those noted by them as not completed from 2021/22. It also contains, separately, those recommendations made about accounting and systems performance.

Year & No.	Recommendation	Management comments.	Agreed ?	Responsible & date	Actions	Link to other policy or process	Further follow up required
2223 1	A formal savings challenge process should be developed, documented and implemented to properly test and challenge the savings proposals to ensure that the timing of delivery and true financial impact can be properly assessed, and project managed	The development of savings for 2024/25 were worked on throughout 2023/24. Following agreement of the MTFS in September 2023 the council began early delivery in some cases such as leisure centres, care homes and parking charges. The council has a Budget Delivery Group which is also regularly discussed at Cabinet	Yes	Strategic Director and Director of Dev'lopment	Formal and informal processes have been developed and are embedded at officer and member level to ensure sound challenge. Future year budget proposals are likely to involve earlier and more open public engagement.	Yes All Budget processes	No
2223 2	The council should develop an enhanced savings development tracker that uses RAG ratings or similar means to capture the level of risk associated with the delivery of savings	The council already reports on savings to cabinet. This can be reviewed to consider how this can be enhanced with quarterly monitoring reports	Yes	Director of Finance & Director of Strategy & Innovation	Executive Leadership Team (ELT) have a monthly conversation about budget delivery which has RAG-rated updates for savings delivery areas included within. It is prepared between the finance and corporate planning team using information from Directorate leadership teams.	Yes All Budget processes	No
2223 3	The council should ensure that the ongoing Transformation programme is	The council has kept track of both short term and long-term savings	Yes	Director of	Throughout 2023/24, longer-term transformation priorities were	Yes	No

	properly integrated and supports the short-term budget savings development process	and will need to make sure all savings and mitigations are considered		Strategy & Innovation	addressed through discussions at Executive Leadership Team every 8 weeks. Where transformation priorities relate to more specific budget delivery activities they were considered at ELT on a monthly basis as a part of discussions set out in 2223/2 above. This focus is being retained in 2024/25, with simpler, but further tightened assurance of transformation activities in development.	All Budget processes	
2223 4	The Council should consider the merits of appointing an additional appropriately qualified councillor* to the Corporate Governance & Audit Committee (*assume this means “independent person”)	We will consider the merits and work with the committee	Yes	Chair & CGAC support officers	Chair to discuss with existing independent member and then alongside officers report back with proposals – to be addressed linked to annual report of CGAC for 23/24	No	CGAC to determine what is next appropriate action
2223 5	The council should review the arrangements for implementation and follow up of recommendations	Regular monitoring of audit recommendations is considered crucial	Yes	Head of Risk	Implementation of Internal Audit recommendations will be subject to specific reporting with action where there is a lack of progress. External Audit recommendations are scheduled and monitored through a reporting process to Executive management, and CGAC	IA reporting process	CGAC to determine if actions are appropriate
2223 6	Performance management could be improved with more effective use of data and insights	This will be considered but needs to be balanced with other improvement priorities across the council	No				
PREVIOUS RECOMMENDATIONS FOLLOW UP							
2122 1	Optimise outcomes for the Council in the current round of Department for	The position with regard to the DSG deficit has deteriorated and	Yes	Strategic director of	A revised long-term plan to address and eliminate the DSG deficit has been		Yes – long

	Education (DfE) Safety Valve Group discussions, including approval for the Special education needs (SEND) transformation plan in order to seek a long-term solution to the Dedicated Schools Grants (DSG) overspend	the council is in discussion with the DfE to develop a revised recovery plan. We have therefore raised a significant weakness in the areas for 2223 - See key recommendation 2		Childrens Services & Director of Finance	agreed with the DfE following negotiations with their officials and advisers. The size of the challenge has been noted and the agreement extended until 2030.Includes new provision under development.		term project
2122 2	Consider publishing the members and senior officers register of interests and gifts and hospitality more clearly on the councils website	Agreed actions completed					No
2122 3	We recommend that the Council reviews its group company and investment governance arrangements	Whilst some reporting produced, and progress has been made further work is needed to ensure governance arrangements are effective and risk are reduced	Partly	Chief Exec and Head of Risk	To consider further actions in next few months (to involve CFO)		Yes
2122 4	We recommend that quarterly performance reporting is reinstated	Corporate reporting supplied to cabinet during 2223, but council should consider if current bi-annual reporting is sufficient for updating councillors and mitigating poor performance in a timely manner	Partly	Director of Strategy & Innovation Head of Performance	Additional integrated reporting (finance/performance/risk) was undertaken during 2023/24 and reported through cabinet and scrutiny. Quarterly performance monitoring and reporting will be reintroduced for 2024/25 to provide a greater level of visibility of directorate performance and assurance.	Q'ly Monitg of finance risk & perfm.	Yes to start from Q1 24/25
2122 5	The council should take a more proactive and committed approach to improving risk management with a particular focus on improving directorate and project-based risk management. The council should enhance the current level of training and use better practice to aid the organisations knowledge and practise.	Whilst there was an improvement to risk management through the year it is not yet fully embed across all areas of the organisation particularly at strategic level the council uses spreadsheets that are not always well kept or updated	No	Head of Risk	Substantial progress has been made. Now integrated for reporting with finance and risk, but also addressed at activity level through scrutiny. Risk processes beings further amended, with work also on improving culture. No intention to use any bespoke software as this would be a distraction.	Q'ly Monitg of finance risk & perfm.	Yes; Revised processes being developed to start from

							Q1 24/25	
2122 6	The council should focus on updating a centralised version of the declarations of interest/ this will aid transparency within the council and improve ability for public inspections and accountability	There is not yet a centralized register of declarations of interest	No	Director of Legal Govrn & M, Head of Risk, Head of People	Councillor declarations are already available online. Progress has been made on an officer declaration system, with recent system updates, with an intention to launch within Corporate & PH early summer 2024., and the rest of the organisation following on soon afterwards	no	Yes Should be achieved during 2024	
2122 7	The Council should focus on creating a revised Fraud Strategy” that helps to rebuild the processes and policies in place at the Council, alongside a clear Fraud Work plan to focus their work This should include improved training for fraud awareness and prevention	Responsibility transferred in Internal Audit 2223. Fraud strategy and action plan will require further development	Partly	Head of Risk	Fraud Strategy was approved by cabinet January 2023, with additional reporting. A fraud panel now operates, with activity-based fraud risk assessments being prepared, and fraud training, general and bespoke to risk areas being developed	Yes; CGAC oversight by QR	Yes by IA, and Exec Member for Finance	
2122 8	The council has in place a Procurement Action Plan. To ensure that this is achieved this needs to be developed further	Agreed actions completed					No	
2122 9	The council should ensure that procurement and contract management training s rolled out across the council and all contact managers are aware of their responsibilities with regular reporting to directorate management teams	Agreed actions completed					No	
FINANCIAL STATEMENT & SYSTEMS RECOMMENDATIONS								
2223 Financial Statement A	Related Party Disclosures. Management should review its processes for gathering all relevant information that may need including in the related party disclosure note. Where member declarations are not received, management should		Noted	Director of Finance Head of Accountancy	Management will be reviewing this process and disclosure note for the 23/24 accounts.	Fin’cl Acc’nts	No	

	consider investigating any possible financial interests by Members using publicly available information						
2223 Financial Statement B	Management should have regard to nationally set publication deadline and consider working toward revising its account production timetable accordingly		Noted	Director of Finance Head of Accountancy	The closedown timetable for the 23/24 accounts has been updated to reflect the national deadline of 31st May 2024 for production of draft accounts.	Fin'cl Acc'nts	No
2223 Information technology C	SAP. Management should ensure that all access requests are formally documented and approved. Where feasible logging and monitoring should be extended beyond debug access	The process was implemented in January 2023, following receipt of the previous year's findings in September 2022. There were a total of 5 instances during the year 2022-23, 4 of which occurred prior to the implementation of the process.	Accepted	Head of IT	Management instruction issued (September 2023) that no self-assigned changes should be made. In addition, the DEBUG review process will be extended to check for any self-assigned roles: Completed	No	No
2223 Information technology D	Management should review this access assignment to ensure developers do not also have access to transport utilities in the production environment that would allow changes to be implemented. Where management believes for operational reasons, this access cannot be fully segregated a risk assessment should be undertaken and other mitigating controls considered (i.e. periodic monitoring of changes to identify those with the same developer and implementer and verify appropriateness).		Accepted	Head of IT	The developer key for SAPSUPPORT will be removed Target date: end September 2023. Completed	No	No
2223 Information	Vendor accounts; SAP Implement formal policies and procedures for all vendor access	These (additional) vendor accounts were created as tools to investigate a problem	Noted	Head of IT	Both accounts were deleted when they were no longer required for investigation	No	No

n techn ology E	<p>requests including retention of documentation, such as details of user access rights required, approver authorisation and the effective date the access needed, to be changed or removed.</p> <ul style="list-style-type: none"> • For access that is no longer required, this must be disabled on their effective move/ leave date. Where this is not possible, access should be disabled no later than the next working day. This will help prevent unauthorised access to the applications and underlying data. • Monitor vendor access and review the audit log to identify any abnormal activities per formed during third-party access. 	<p>SAP were having in our systems, while working to resolve an issue we had logged with them.</p> <p>There is a contractual obligation to allow open access during issue investigations which can take several weeks to resolve.</p> <p>SAPSUPPORT1 was created during a SAP investigation for diagnosis during the audited period. Similarly, SAPSUPPORT2 was created in the development environment for diagnosis and testing of an issue.</p> <p>Neither account has ever logged into our SAP systems.</p>			Purposes. Completed		
2223 Infor matio n techn ology F	<p>Management should consider performing an evaluation of the appropriateness and necessity of the generic accounts identified. This should include consideration of whether:</p> <ul style="list-style-type: none"> • Activity could be performed through individually named users accounts with generic accounts reduced and only used for specific pre-approved activity; and • Accounts within the SAP application could be made into 'SYSTEM' user type, to allow them to run background 	<p>Absoft and SAP are trusted partners, and the vendor accounts are disabled when not required.</p> <p>Because of the number of potential support staff in the vendors' teams, it is impractical to provide individual named accounts and would have significant implications for licensing and costs</p>	Noted	Head of IT	<p>A review process will be implemented to monitor use of the accounts: Portal admin has not logged in since 2020 and an investigation is underway to determine whether it can be set to a system user account Target date: end November 2023. Completed</p>	No	No

	<p>jobs but not be directly accessible for login.</p> <ul style="list-style-type: none"> • If accounts are obsolete or not-in-use and if they could be disabled or deleted. <p>Where these controls will be owned / operated by external organisations management should consider disabling the accounts and only enable these accounts on need.</p> <p>Activities performed by the third parties should be monitored</p>						
2223 Information technology G	<p>SAP</p> <p>Management should segregate a users ability to configure user security event logs within production. We also recommend that also review the assignment of this access. Where possible limit users with these privileges assigned to members of the systems support and related service teams. Users not requiring the role to perform duties should have these accesses removed. Where this cannot be achieved, an alternative might be “Firefighter” accounts with set validity periods</p>		Yes	Head of IT	<p>Will investigate whether these permissions can be segregated without users losing permissions to run other tasks as part of their daily duties. If this is not possible, the risk will be noted, and mitigations put in place. Target date: end November 2023.</p> <p>Investigated but not able to segregate; logging and monitoring is in place for audit of activities.</p>	No	No
2223 Information technology H	<p>New systems (asset management)</p> <p>Management should establish comprehensive segregation of duties policy that outlines the principles and rules governing access control within the Council and implement the rules in design and creating user access roles for new systems. The user access assignment configured in the systems</p>	<p>Segregation of duties was not considered in detail (or possible) until the system was fully implemented and understood (neither was the issue ignored or overlooked). Only three members of staff were given access to the system who had knowledge of asset</p>	Noted	Head of Accountancy	<p>Segregation of duties for the three current users will be implemented. Duties/access rights now separated. (Oct 23).</p> <p>Stronger project management standards applied during software upgrade for leasing accounting.</p>	No	No

	need to be reviewed and updated on regularly basis	accounting (and only two of whom were involved in using, maintaining and updating the system)					
2223 Information technology I	<p>User Testing (asset management) Management should review and update the approach for large scale IT projects so that key documents and conclusions supporting the functional testing of the upgraded system are retained.</p> <p>In particular, the following documents should be part of a successful project:</p> <ul style="list-style-type: none"> • test strategy • test plans with detailed use cases / scenarios • central issues log to record the defects from testing procedures • test closure report to summarise and conclude on the outcome of the testing phase 	The implementation of the system was not considered to be a large-scale IT project. The system was a well-established software package used for asset accounting acquired following a procurement process. There is no interface between the software and the Council's ledger. In addition to the annual licence fee for use of the system, additional support for implementation and training were purchased. Data migration and validation were completed by the software provider.	No			No	No
PREVIOUS RECOMMENDATIONS FOLLOW UP							
2122 A	Annual Governance statement (AGS) The AGS is required to be published on the councils website for inspection and comment. The draft AGS was not included in 2122	The draft AGS was published in July 2023	Completed			Fin'cl Acc'ts	No
2122 B	LGPS In future years Management request from the LGPS to be alerted of any changes to draft asset figures, so that an informed decision can be made as to whether to request revised actuarial reports	No material changes identified in 2223	n/a			No	No

2122 C	Valuation of Buildings Management communicates with the general fund valuer to ensure that they are following the national RICS guidance for valuations	Management and its expert consider that the Councils methodology is appropriate. Not material	closed			No	No
2122 D	Economic life of infrastructure Management should carefully adhere to the CIPFA guidance in terms of reviewing useful asset lives and consider how these might differ for different types of infrastructure asset	Agreed that for 2223 Useful asset lives for highways infrastructure would follow CIPFA guidance	closed			No	No

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**REPORT TITLE: INTERNAL AUDIT QUARTERLY REPORT 1 2024/25
APRIL 2024 to JUNE 2024**

Meeting:	Corporate Governance & Audit Committee
Date:	28 July 2024
Cabinet Member (if applicable)	
Key Decision Eligible for Call In	No No – Information report
Purpose of Report To provide a report of Internal Audit activity during the first quarter of 2024/25	
Recommendations <ul style="list-style-type: none"> • That the report be noted • The Committee determine if any action is required as a result of this report Reasons for Recommendations <ul style="list-style-type: none"> • This provides information about activity of internal audit in this period, and the level assurance in the organisation. There may be issues identified which the Committee feels merits further work. 	
Resource Implications: <ul style="list-style-type: none"> • None from this report, other than the potential costs or savings from implementing recommendations 	
Date signed off by <u>Strategic Director</u> & name. Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	Not applicable

Electoral wards affected: all

Ward councillors consulted: none

Public or private: public with a private appendix

The appendix to this report is recommended for consideration in private because the information contained in it is exempt information within part 1 of Schedule 12A of the Local

Government Act 1972 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 outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.

Has GDPR been considered? yes

1. Executive Summary

The Council has to have an Internal Audit function. Each quarter Internal Audit reports on its activity.

2. Information required to take a decision

The information required is included in the attached report.

3. Implications for the Council

Having an effective internal audit function, as a part of a strong assurance and governance framework is important for the Council. Implementing audit findings should help to improve internal control, assurance and or governance.

3.1 Working with People

No directly applicable.

3.2 Working with Partners

No directly applicable.

3.3 Place Based Working

No directly applicable.

3.4 Climate Change and Air Quality

No directly applicable.

3.5 Improving outcomes for children

No directly applicable.

3.6 Financial Implications

Refers in part to improving strategic and operational financial controls.

3.7 Legal Implications

No directly applicable.

3.8 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)

Implementation of internal audit recommendations should improve overall control arrangements and promote good governance.

4. Consultation

There have been discussions with Executive Leadership Team (ELT)

5. Engagement

ELT have seen and are aware of the content of this report

6. **Options**
Not applicable
7. **Next steps and timelines**
Contributes to the Annual Internal Audit report.
8. **Contact officer**
Martin Dearnley Head of Audit & Risk.
9. **Background Papers and History of Decisions**
None.
10. **Appendices**
Private appendix
11. **Service Director responsible**
The Head of Risk & Internal Audit holds responsibility for the planning, operation and reporting by Internal Audit.
The statutory officers with a responsibility for overseeing the internal audit function are
Samantha Lawton Service Director for Legal Governances & Commissioning
Kevin Mulvaney Service Director for Finance

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Internal Audit & Counter Fraud Quarterly Report

**Quarter 1 2024/25
April to June 2024**

1 Introduction

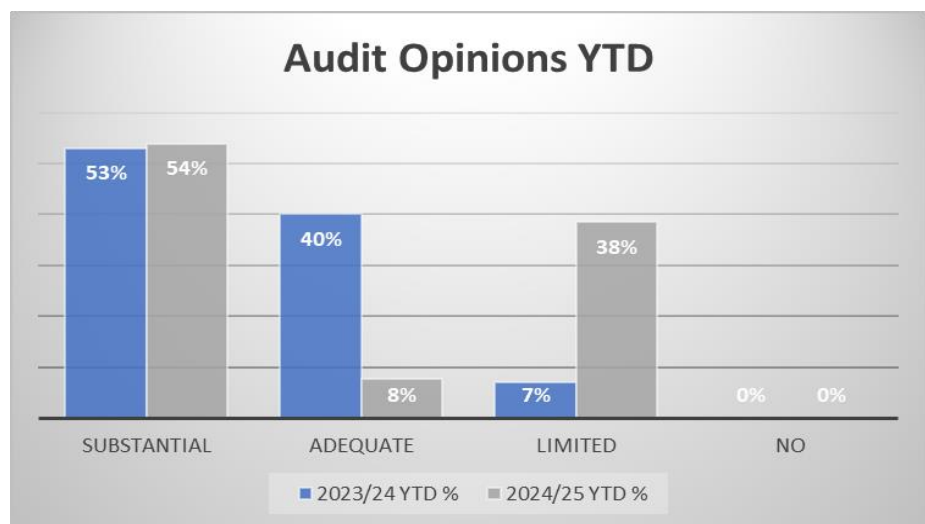
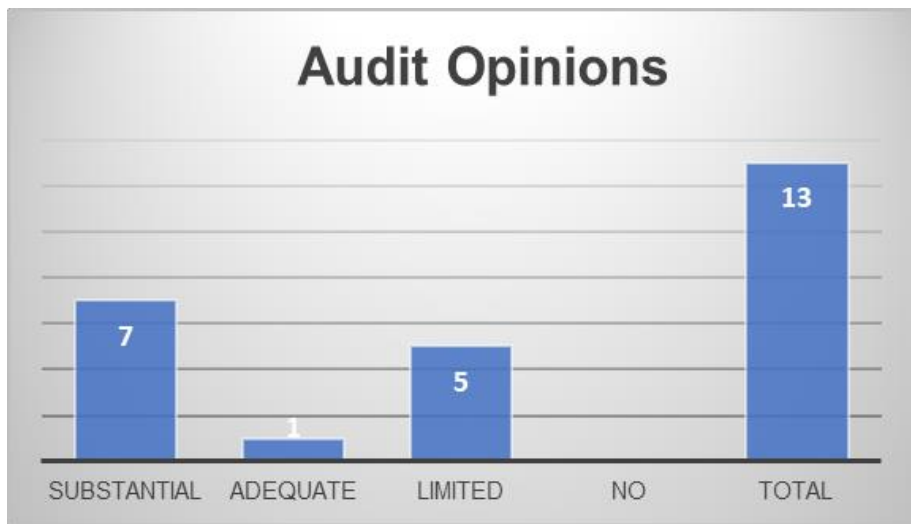
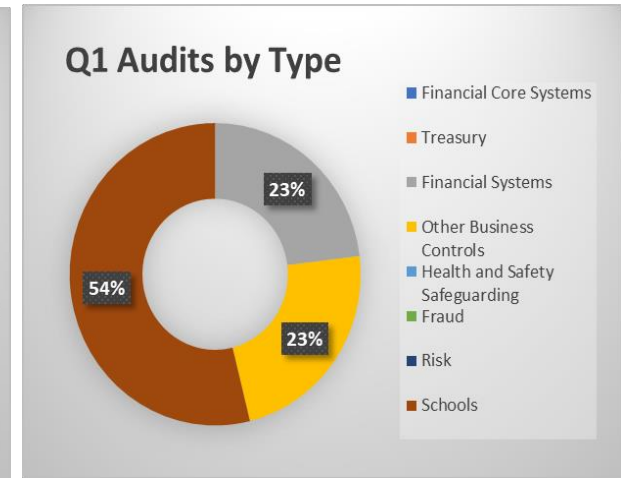
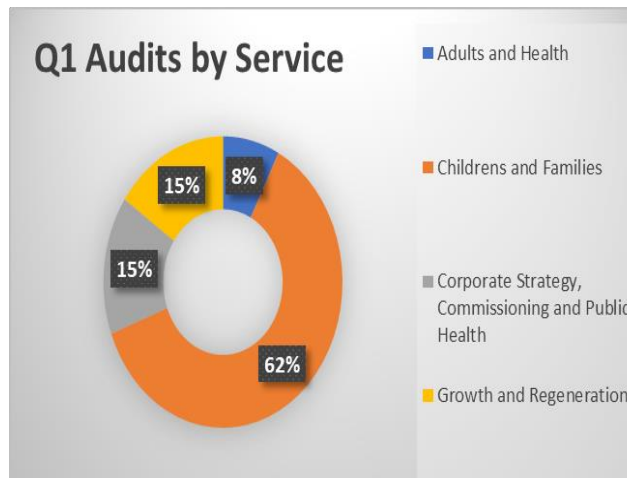
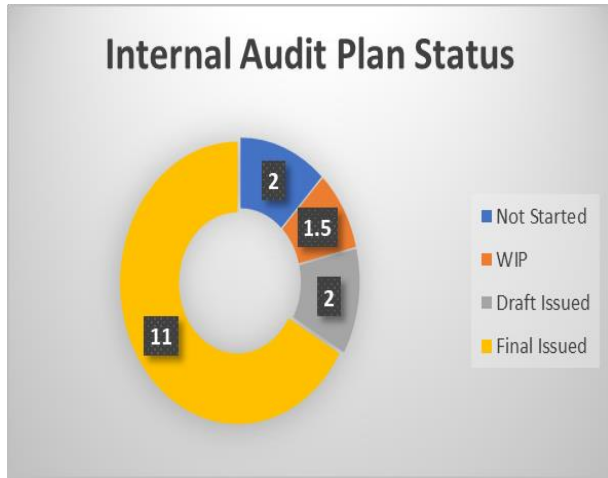
This report sets out the work of Internal Audit completed in the period shown above, both relating to last year’s plan and the first quarter of the current one. All work included has reached a finalised state and, except where shown otherwise, management have accepted the findings and agreed to implement the recommendations, or, in the case of employee investigations, any disciplinary action has been through the required stages and any appeal time. A number of audits are awaiting finalisation and will be reported in the next quarter.

Where an assurance opinion was appropriate these reflected the standard framework below

Opinion	Definition - Control Adequacy	Definition - Control Application
Substantial Assurance	A robust framework of all key controls exists that is likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
Adequate Assurance	A sufficient framework of key controls exists that is likely to result in objectives being achieved but the overall control framework could be stronger.	Controls are applied but with some lapses.
Limited Assurance	Risk exists of objectives not being achieved due to the absence of a number of key controls in the system.	Significant breakdown in the application of a number of key and/or other controls.
No Assurance	Significant risk exists of objectives not being achieved due to the absence of key controls in the system.	Serious breakdown in the application of key controls.

All audit work attracts recommendations intended to achieve at least an adequate level of control. All audits resulting in a negative - "limited assurance" or "no assurance" - opinion are followed up as a matter of course, whereas confirmation of progress in implementing agreed recommendations in other reports is sought periodically.

2 Internal Audit Assurance Map and Quarterly Dashboard



3 Planned Audit Work Completed in the Period

3.1 Financial System and Service Audits

	<u>Audit</u>	<u>Opinion</u>	<u>Recommendations</u>		
			Fundamental	Significant	Merits Attention
	<u>Core Financial Systems</u>				
	<u>Other Financial Systems and Processes</u>				
	<u>Client Financial Affairs (Welfare & Exchequer)</u>				
001	Adult Social Care Debt Collection (Client Financial Affairs)	<p><u>Limited Assurance</u></p> <p>The audit undertaken focussed on analysis of a sample of cases from the first contact with a social worker to debt collection, to complement current workstreams looking to gain assurance that processes minimise the amount debt accrued and maximise collecting debt. Potential improvements to control and process, both in social care and client financial affairs were identified. In some instances, the sensitive nature of some of the work may be used as an “excuse” for not following appropriate recovery. Whilst flexibility is needed, clear practice for those collecting the debt would be beneficial. Better communication is needed, both internally between services and with clients and their families or representative.</p>	0	10	0

	Homes & Neighbourhoods				
002	District Heating	<p>Limited Assurance</p> <p>A number of key controls are not working effectively. Many of these issues were identified in the previous review 2020 , and despite having been agreed have not been addressed,</p> <p>The intention of the schemes is to break-even but this is not happening. In the 2023/24 financial year, the expenditure was £787k against income of £191k, a loss of £596k. In 2022/23 the shortfall was approximately £1m.</p> <p>When gas prices increased significantly, the charges made to tenants did not.</p> <p>Accordingly, general tenants- with heating bills- are subsidising those tenants / leaseholders living in district heating schemes via the HRA. This problem was masked to some extent by the way income and expenditure were coded in SAP.</p> <p>District heating customers did not receive energy support payments when these were offered to other customers in 2022/23. The Council may be able to collect a rebate in the 2024-25 financial year, which may amount to £650k in total, which it may be appropriate for the HRA to look to retain. No evidence was available to suggest that the District Heating Team had taken steps to access these funds.</p> <p>Besides the financial position, a number of other issues were identified,</p> <ul style="list-style-type: none"> • the contract for management support expired in January 2023 and a new procurement process was not 	3	10	1

		<p>initiated until recently. The current provider has continued to provide services without a contract in place;</p> <ul style="list-style-type: none"> • there is a lack of documented procedures; • vulnerability criteria for financial assistance have not been subject to regular review; • high credit balances have not been subject to regular review; • the boiler and meter infrastructure is at the end of its working life; and • Usage has often been based on estimates owing to a failure to take regular meter readings. <p>The problems appear to have been exacerbated, at least in part, due to the departure of key personnel.</p> <p>The agreed Action Plan provides for more straightforward issues to be completed by the end of July 2024. Procurement and charging actions will require more time into 2025 to resolve.</p>			
	<u>Childrens and Families</u>				
003	In House Residential Homes	<p>Limited Assurance</p> <p>The Service, Finance and HD-One are already aware of many of the issues raised in the report and have actively been putting procedures in place to provide better control and reduce risk around cash handling and usage, and record keeping and accounting. Some homes already have good procedures in place, but problems persist in others which audit testing confirmed.</p>	4	9	1

		Recommendations focussed on the development of adequate policies and procedures that all homes can implement and manage. Additional purchasing cards are being introduced to enable reduced cash usage, and opportunities for young persons to access p-card based services, rather than cash are being explored..			
	<u>Other Business Controls</u>				
	<u>Homes & Neighbourhoods</u>				
004	Gas Servicing	Substantial Assurance No Issues identified.	0	0	1
	<u>Legal, Governance & Commissioning</u>				
005	NHS Digital – Data Security & Protection Toolkit	Substantial Assurance Certification of annual compliance with the Toolkit by the SIRO (Service Director, Legal & Governance) is a prerequisite of Adult Social Care and Public Health staff being able to access data held by the NHS to undertake their roles. The mandatory requirements of the National Data Guardian’s 10 Data Standards where work remains ongoing relate to <ul style="list-style-type: none"> an under-performance in the completion of (refresher) information governance mandatory training, currently at about 50%, so well short of 	0	1	1

		<p>the 95% agreed with the Information Commissioner, and</p> <ul style="list-style-type: none"> data and cyber security awareness should be included and evidenced in the induction process for new staff. <p>(These standards, which represent good practice anyway, are applicable to all IT users- not just those with NHS accesses)</p>			
006	e-tendering	<p>Substantial Assurance No major issues identified.</p>	0	1	2

3.2 Follow - Up Audit Work Completed in the Period

	<u>Follow Up Audit</u>	<u>Opinion</u>	<u>Outstanding Recommendations</u>		
			Fundamental	Significant	Merits Attention
	<u>Childrens Services</u>				
	SENDACT Update	<p>Limited Assurance A significant amount of work carried out in the service and across the whole of learning is evident. Some of these changes will not be seen in the data for some time due to the nature of time lag in the reporting. Implementation depends on culture change across the department and all interested parties and it is recognised that this will require time to embed. To date compliance rates have increased by 22% and there have been no complaints that relate to cases submitted since the audit which is</p>	1	9	7

		favourable. Restructuring and a total review of controls, process and procedure has taken place. It will be difficult to establish a more even day to day workflow until the backlog of cases is dealt with. Resource for achieving this has been problematic which has led to a slip in the original agreed timescales. It was agreed to re-visit in December 2024 when structure and control re-design should have more of an effect on the data output.			

3.3 School Audits

007 - 010	Substantial Assurance	4
011	Adequate Assurance	1
012 - 013	Limited Assurance	2
	No Assurance	0

4 Investigations and other Audit Activity

4.1 Skills & Regeneration

Multiply Grant Year 2 2023/24 Validation

As required by WYCA, an audit statement with a 10% sample check of participants across the five organisations delivering the Scheme confirmed evidence provided supported compliance with the eligibility criteria prior to sign off by the Director of Finance.

4.2 Family Support & Child Protection

Stronger Families Programme

As reported in previous quarters, there has been a change in qualifying criteria for this claim and it was found that data integrity was not adequate and on this basis most of the claim could not be submitted as eligible for SFP support. Concerns were raised by the Government that claim amounts in the last three quarters of 23/24 were exceptionally small. Development of a new process to ensure data integrity has been carried out working closely with Somerset Council who are recognised government data champions. This has rectified the issues, and the most recent quarter claim was more in line with the expected forecasts. Further work is continuing between the data team and Children Services to embed the new process.

4.3 Corporate

Draft Annual Governance Statement 2023/24

Co-ordination of the Annual Review of the Control and Governance Framework and compilation of the Draft Statement in conjunction with the Chief Executive and Executive Directors.

4.4 Future School Audits

A new audit framework is being developed using the School Financial Value Standard (SFVS) to provide assurance on school financial arrangements. This will be presented to the School Business Managers at their autumn quarterly forum. The new framework will take effect in September and will reduce the number of school audits required thus releasing Internal Audit resource whilst ensuring overall assurance is maintained.

4.5 Audit Recommendation Follow-Up

A new process for audit recommendation follow-up has been introduced this year. Assurance will now be obtained at Senior Leadership Team level by Internal Audit with any themes across services or outstanding audit/individual recommendations that are classified fundamental or significant being escalated to Executive Team. These will then be reported quarterly through Corporate Governance and Audit Group.(starting at quarter 2)

5. Counter Fraud Work

5.1 Housing and Blue Badge Fraud

Investigation Type	New Referrals	Ongoing	Closed Prosecutions	Closed: No Fraud Proven or Warning Issued	Applications Cancelled	Properties Returned
Right To Buy	10	21	-	22	12	6
Tenancy Fraud	7	13	-	-	-	-
Blue Badge	55	42	6	58		

5.2 Adult Social Care – West Yorkshire Financial Exploitation and Financial Abuse Team

WYFEAT – Adult Social Care (1st April 2023 – 29th February 2024)

Referrals Received	Investigations	Pre-Investigations	Safeguarding Only	Yet to be designated	Closed	Value (£): Total figure since 2017
35	2	0	1	5	0	2,764,935.90

6. Regulation of Investigatory Powers Act investigations

None this period.

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REPORT TITLE: EMERGENCY DUTY SERVICE (ADULTS)- FOLLOW UP

Meeting:	Corporate Governance & Audit Committee
Date:	26 July 2024
Cabinet Member (if applicable)	
Key Decision Eligible for Call In	No No – Information report
Purpose of Report To advise the committee of progress against the recommendations made by internal audit in relation to the Councils Adult Services Emergency Duty Service	
Recommendations <ul style="list-style-type: none"> • That the report be noted • The Committee consider if there are any matters they require any further information or assurance 	
Reasons for Recommendations <ul style="list-style-type: none"> • The report is provided for monitoring 	
Resource Implications: <ul style="list-style-type: none"> • None from this report; addressing recommendations should improve governance or control 	
Date signed off by <u>Strategic Director</u> & name.	Not applicable
Is it also signed off by the Service Director for Finance?	Not applicable
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Not applicable

Electoral wards affected: all

Ward councillors consulted: none

Public or private: public with a private appendix

The appendix to this report is recommended for consideration in private because the information contained in it is exempt information within part 1 of Schedule 12A of the Local Government Act 1972 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 outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.

Has GDPR been considered? yes

1. Executive Summary

At its meeting on 10th May 2024 the Committee considered the final Quarterly Report of Internal Audit 2023/24 (January to March 2024) and decided that they were not content with the progress made in relation to one area of operation- the Emergency Duty Team of Adult Services. The Committee requested that management from the service attend a future meeting and discuss progress.

2. Information required to take a decision

The extract from the Quarterly Report (4 23/24) is reproduced below.

<u>Follow Up Audit</u>		<u>Opinion</u>	<u>Outstanding Recommendations</u>		
168	<u>Adults and Health</u>		Funda mental	Significant	Merits Attention
	Emergency Duty Service	<p>Limited Assurance: The position from the previous follow-up audit review in 2022/23 remains unchanged. Implementation of the 8 outstanding recommendations is needed to strengthen the overall EDS internal control environment. The structure of the service has now been under review for over a year with no progress or changes implemented at present.</p>	0	5	3

Additional information is contained in the Private Appendix.

3. Implications for the Council

Progress against Action Plans and in implementing recommendations is important as demonstrating a sound set of control arrangements and good governance.

3.1 Working with People

Not directly applicable (other than effective Service provision meets the needs to vulnerable clients).

3.2 Working with Partners

Not directly applicable (although the NHS and police have frequent involvement with the service).

3.3 Place Based Working

Not directly applicable.

3.4 Climate Change and Air Quality

Not directly applicable.

3.5 Improving outcomes for children

Not directly applicable.

3.6 Financial Implications

Refers in part to improving strategic and operational financial controls

- 3.7 **Legal Implications**
Not directly applicable.
- 3.8 **Other (e.g. Risk, Integrated Impact Assessment or Human Resources)**
Implementation of recommendations should improve overall control arrangements and promote good governance.
4. **Consultation**
With senior management in the service, who are responsible for implementation.
5. **Engagement**
Not applicable.
6. **Options**
Not applicable.
7. **Next steps and timelines**
For the Committee to discuss.
8. **Contact officer**
Martin Dearnley Head of Audit & Risk;
Michelle Cross Service Director
Suzanne Epstein, Service Manager for Mental Health
9. **Background Papers and History of Decisions**
Quarterly Report of Internal Audit Q4; 2023/24
10. **Appendices**
Public None
Private- the service has prepared a response note contained in the private appendix
11. **Service Director responsible**
The Head of Internal Audit is responsible for the Internal Audit function.
The following service directors provide oversight.
Samantha Lawton, Service Director for Legal Governances & Monitoring
Kevin Mulvaney, Service Director for Finance

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