Contact Officer: Nicola Sylvester

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 19th June 2026

Present:	Councillor Khuram Amjad (Chair) Councillor David Birch Councillor Stephan Dransfield Councillor Maryam Jawaid Councillor James O'Leary Councillor David Ridgway
Co-optees	Andrew North Nicholas Booth
In attendance:	James Anderson, Head of Accountancy Ruth Calladine, Head of Procurement & Commissioning Support Greg Charnley, Grant Thornton Martin Dearnley, Head of Risk Kevin Mulvaney, Service Director Finance (S151 Officer) Samantha Lawton, Service Director Legal and Commissioning (Monitoring Officer) Sam Whitaker, Finance Manager
Apologies:	Councillor Kath Pinnock Councillor Richard Smith Councillor Bill Armer (ex-Officio)

1 Membership of the Committee

Apologies for absence were received on behalf of Councillor Kath Pinnock, Councillor Richard Smith and Councillor Bill Armer (Ex-Officio).

Councillor David Ridgway substituted for Councillor Kath Pinnock under the provision of Council Procedure Rule 35 (7).

2 Minutes of Previous Meeting

RESOLVED –

That the Minutes of the meeting held on 24 April 2026 be approved as a correct record.

3 Declaration of Interests

No interests were declared.

4 Admission of the Public

It was noted that the agenda item relating to item 14 (Minute No. 14 refers) contained exempt information by virtue of paragraph(s) 3 (Financial and Business affairs) of Part 1 of Schedule 12A of the Local Government Act 1972.

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

No public questions were received.

7 Annual Report on Treasury Management 2025/26

The Committee received the annual report on Treasury Management activities for the 2025/26 financial year.

The report reviewed borrowing and investment performance which highlighted that the Council had operated within its approved Treasury Management Strategy and had complied with all treasury management prudential indicators.

A treasury budget underspend of £5.5 million was highlighted against a budget of £37.7 million with contributing factors linked to capital programme slippage, savings generated through the early repayment of Barclays loans, minimum revenue provision savings, and additional investment income. Average investments totalled £84.5 million and achieved an average interest rate of 4.11%. The Council's external borrowing had increased by £42.8 million to £816.8 million, which was in line with expectations and planned borrowing. The Council had taken £90.0 million new Government long term loans from the Public Works Loan Board (PWLB) and an additional £67.5 million Local Authority short to medium term loans. The large increase in long term loans was a result of borrowing for the capital plan, re-financing existing borrowing maturing during the year and a reduction in internal borrowing. The Councils fixed rate loans account for 96.33% of total long-term debt gave the Council stability in its interest costs and minimised exposure to fluctuating short term rates. The Council had also completed a voluntary debt restructuring exercise, repaying four Barclays loans which generated estimated long-term savings.

During discussion, the Committee sough assurance regarding future borrowing requirements remaining affordable and were advised that borrowing projections were linked to Capital Programmes which were subject to review. Affordability was monitored through prudential indicators with regular reporting through quarterly financial monitoring. Where projects came in under budget, underspend would be removed during routine review and would reduce alternative borrowing requirements. It was noted that continued borrowing pressures and interest rate challenges were expected for the 2026/27 financial year.

RESOLVED- That the Annual Report on Treasury Management 2025/26 be noted prior to its submission to Cabinet and Council.

8 Internal Audit Quarterly Report 4 2025/26 - January to March 2026

The Committee received a report relating to the Internal Audit work in quarter 4 of 2025/26.

The report detailed completed audits, assurance levels awarded, themes identified and progress made against audit recommendations. Audit opinions ranged from substantial assurance to limited assurance, with most reviews receiving positive assurance ratings. Limited assurance findings were largely related to compliance matters and ongoing improvement activities, notably within Building Control and Home-to-School Transport.

An update was provided on the National Fraud Initiative work, counter-fraud activity, school audits, ERP system assurance work and investigations undertaken under the Regulation of Investigatory Powers Act, where no surveillance activity had been conducted during the quarter.

The Committee queried why some planned audits had not been completed and noted these was mainly due to insufficient resources. In relation to partially completed recommendations, the Committee was advised that these were continually monitored until completed or superseded, and further follow up work enabled services to be challenged regarding progress and implementation timescales.

RESOLVED- That the Internal Audit Quarterly Report 4 2025/26 – January to March 2026 be noted.

9 Internal Audit Annual Report for 2025/26

The Committee received a report of Internal Audit activity during 2025/26, and assurance opinion from the Head of Internal Audit & Risk.

The report highlighted that the Council had to have an Internal Audit function, that operated in accordance with the Global Internal Audit Standards (adjusted to reflect UK public sector requirements). The standards required that each year the Head of Internal Audit provided an opinion to the Council about the level of assurance that was provided through systems of governance, risk management and internal control. The report concluded that in these areas, there was just sufficient evidence to demonstrate that the Council's systems were largely effective. The Council continued to maintain an overall positive assurance position, with 82% of completed audits delivering a positive assurance outcome.

During discussion, the Committee acknowledged resource challenges and that alternative methods of delivery were being considered. The Committee was also assured that the appropriate assurance measures regarding the effectiveness of Internal Audit were in place.

RESOLVED- That the Internal Audit Annual Report for 2025/26 and Head of Internal Audits opinion be noted.

10 Annual Governance Statement 2025/26

The Committee received the draft Annual Governance Statement report 2025/26.

The Council had to produce an Annual Governance Statement as a compulsory part of its accounts. This draft Annual Governance Statement for the financial year 2025/26 needed to be formally submitted to the external auditor alongside the Accounts for 2025/26. A final version will need to reflect any significant findings by the external auditor along with any other material matters that arise prior to the completion of the external audit for 2025/26.

The statement identified a number of significant governance issues requiring ongoing attention, including housing management, medium-term financial sustainability, data management, SEND-related financial pressures and contract management, and although progress had been made against previous actions, these remained long-term improvement areas and would continue to require monitoring.

During discussion, the Committee questioned how the key governance priorities would be monitored through the 2026/27 financial year. The Committee was advised that the priorities outlined within the statement would be primarily monitored by the Executive Leadership Teams and Cabinet, with Audit oversight where necessary.

RESOLVED- That the draft Annual Governance Statement 2025/26 be approved.

11 Annual Update of Contract Procedure Rules for the year ending 31 March 2026.

The Committee received an annual update of Contract Procedure Rules compliance for the year ending 31 March 2026.

The report explained that the Council, as a contracting authority, was required to comply with procurement legislation including the Procurement Act 2023, the Public Contracts Regulations 2015 and the Provider Selection Regime when awarding contracts. These legal requirements were embedded within the Council's Contract Procedure Rules (CPRs), which ensured procurement activity was conducted transparently, consistently and in accordance with current legislation. Following a recommendation from external auditors through the Value for Money review, annual reporting on exemptions and breaches of the CPRs had been introduced as a matter of good governance. This was to help identify trends, monitor compliance and highlight any areas requiring improvement.

The report provided a summary of all exemptions and breaches recorded between 1st April 2025 and 31st March 2026. Thirty-eight exemptions had been approved with the majority relating to direct awards from approved framework agreements. The Committee noted that further support in relation to procurement activity had been developed and included contract management training, procurement awareness training, contract monitoring tools and enhanced oversight arrangements.

During discussion, the Committee queried the reporting procedures regarding breaches along with noting the work undertaken to improve compliance with Contract Procedure Rules and procurement legislation and suggested that information on the framework usage / awards be included in future reports. The Committee also noted that each breach was documented through a formal reporting process and escalated as necessary

RESOLVED-
1) That the work undertaken by the Procurement Team to ensure continued compliance with CPR's and procurement legislation be noted.
2) That the exemption of breaches information recorded for Period 1 – April 2025 to 31 March 2026 be noted.

12 Agenda Plan 2026/27

RESOLVED – That the Agenda Plan 2026/27 be approved.

13 Exclusion of the Public

RESOLVED - That acting under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for 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, as specifically stated in the undermentioned minute.

14 Annual Update of Contract Procedure Rules for the year ending 31 March 2026

RESOLVED – That the exempt information which was an appendix of Agenda item 11 be noted.