

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 10th March 2017

Present: Councillor Hilary Richards (Chair)
Councillor Julie Stewart-Turner
Councillor Kath Pinnock

Apologies: Councillor Linda Wilkinson

In attendance: Councillor Elizabeth Smaje

1 Membership of the Committee

Apologies for absence were received on behalf of Councillor Wilkinson.

2 Minutes of Previous Meeting

RESOLVED –

That the minutes of the meeting held on 27 January 2017 be approved as a correct record.

3 Interests

No interests were declared.

4 Admission of the Public

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

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

No questions were asked.

7 Report of Members Allowances Independent Review Panel 2016/2017

The Committee received the report of the Members Allowances Independent Review Panel for 2017/2018, which set out the recommendations proposed by the Panel regarding allowances. The Committee noted that that the Panel had met on 18 November 2016 to consider the scheme and to make recommendations on allowances within the scheme.

The report advised that the Panel had recommended that (i) the current basic allowance is increased by 1% (ii) all special responsibility allowances be retained at the current level (iii) current arrangements for the allowances payable to Group Business Managers be retained and (iv) that Section 12 of the scheme be amended as set out at Appendix B. The Committee noted that the proposed increase to the rate of basic allowance, in line with the pay rise for staff, would cost an additional £8,901, which could be within budgeted resources for 2017/2018.

The Committee endorsed the recommendations of the Panel and agreed that the report be submitted to the next meeting of Council with a recommendation of approval.

RESOLVED –

- 1) That the recommendations of the Members' Allowances Independent Review Panel as detailed in Appendix A of the considered report, be noted.
- 2) That the report be submitted to the meeting of Council on 22 March 2016 with a recommendation that the Members' Allowances Scheme 2017/2018, as attached at Appendix B of the considered report, be approved and effective from 1 April 2017.

8 External Audit Technical Update

The Committee received the external audit update which set out an overview on progress by KPMG in delivering its responsibilities as the Council's external auditors and a summary of progress against deliverables. The report advised that (i) the work on the Council's financial systems and controls had been completed and no issues had been identified during testing of controls (ii) the detailed Value for Money conclusion work had commenced during January 2017, focussing upon the Council's arrangements to deliver financial sustainability in the medium term, and developing an understanding of the Council's medium term financial plans and savings plans for 2016/2017 and 2017/2018, which will be concluded in June 2017, and (iii) work to certify the Housing Benefit Subsidy return would commence after the annual claim is submitted at the end of May, and that the certificate will be issued by the end of November 2017.

RESOLVED –

That the External Audit Technical Update be received and noted.

9 Internal Audit 2017/2018; Audit Plan; Internal Audit Charter

The Committee gave consideration to the proposed 2017/2018 Internal Audit Strategy and Charter, and the proposed Annual Audit Plan 2017/2018. It was noted that it was a requirement of the Public Sector Internal Audit Standards that an Internal Audit Strategy and Charter should be approved each year setting out the role, scope and operating methods of Internal Audit.

The 2017/2018 Strategy/Charter, as attached at Appendix 1 of the considered report, had been redrafted to reflect the reduced level of resources available, and the revised method for the selections of matters to be subject to audit work. The proposed Audit Plan 2017/2018, as attached at Appendix 2, was reflective of discussions that had taken place at Committee previously and therefore presented as a single Audit Plan for the Council, based on risk, but recognising that there is no requirement to repeat work in identified high risk areas where audit work was completed in 2016/17, apart from necessary follow up of matters. It also provided a separate Audit Plan for the Housing Revenue Account, and Kirklees Neighbourhood Housing (KNH) operations, which would initially be managed through the KNH Audit Committee.

Councillor Smaje, attending the meeting in her capacity as Chair of the KNH Audit Committee made reference to the recommendation at 6.5 which sought authority to delegate authority to the Head of Audit and Risk to make amendments to the Audit Plan, and sought confirmation that the Audit Committee would not lose its autonomy as a result of this recommendation. It was confirmed that the delegation would not provide the authority to veto any decision of the Audit Committee.

In considering the report the Committee raised matters relating to (i) the potential for scrutiny to give consideration to the audit of Kirklees Active Leisure Monitoring Systems (ii) the need to amend the first bullet of para. 3.3 to include performance monitoring and (iii) the need to amend the first bullet of 3.2 to read 'reports functionally to the Corporate Governance and Audit Committee which operates as the Audit Committee of the Council and issues reports produced independently and free of influence under his own name.

The Committee also requested that a report be submitted to the next meeting of the Committee to provide an updated overview of Health and Safety, including the learning points that had been identified followed the failure of IT systems during the Christmas 2016 period.

RESOLVED -

- 1) That the revised Audit Strategy and Charter 2017/2018 be approved, subject to minor changes (please refer to minutes of meeting).
- 2) That the Head of Audit and Risk be authorised to make any changes to the Strategy and Charter to reflect changes such as post titles, etc.
- 3) That the draft Audit Plan for the Council be approved.
- 4) That the draft Audit Plan for the Housing Revenue Account and Kirklees Neighbourhood Housing be approved, and that any subsequent alteration by

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the Kirklees Neighbourhood Housing Audit Committee be reported within quarterly monitoring.

- 5) That the Head of Audit and Risk be authorised to make amendments to any element of the Audit Plan, and that they be reported within quarterly monitoring.
- 6) That Officers be requested to submit a report regarding Health and Safety and IT recovery to the next meeting of the Committee.