

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 27th January 2017

Present: Councillor Hilary Richards (Chair)
Councillor Julie Stewart-Turner
Councillor Carole Pattison
Councillor Kath Pinnock
Councillor John Taylor
Councillor Linda Wilkinson

Observer: Councillor Andrew Marchington

1 Membership of the Committee

No apologies for absence were received.

2 Interests

No interests were declared.

3 Admission of the Public

It was noted that Agenda Item 14 would be considered in private session.

4 Deputations/Petitions

No deputations or petitions were received.

5 Public Question Time

No questions were asked.

6 Review of Planning Committees

The Committee gave consideration to a report which set out proposed changes to the way in which Planning sub Committees are structured. The recommendations within the report requested that the Committee make a recommendation to Council to (i) reduce the membership of Planning Sub Committees to 8 Councillors (ii)

support the provision of additional training to Chairs of all Planning Committees and (iii) support that permitting public speaking in relation to pre-application statements is not usual practice, but may be allowed at the discretion of the Chair.

In discussing the report, the Committee raised the following key points; (i) the Committee supported a reduction in the number of members, and it was agreed that an uneven number of members would be most appropriate in order to reduce the probability of applications being determined by a casting vote of the Chair. It was considered that a number between 6 and 11 would be optimal (ii) the Committee recognised that the chairing of a planning committee required a level of technical understanding and chairing skills, and welcomed training that could be provided in order to assist members in effectively performing the role. Within this discussion, the Committee more generally supported the potential for improving the training available for all Committee Chairs and asked that the provision of effective and relevant training be progressed (iii) the Committee expressed concerns regarding the perception of restricting the speaking rights of the public in relation to pre-application position statements. It was considered that allowing the Chair to determine whether public input would be permitted was not practical, nor a reasonable expectation of the Chair. There was a consensus that public speaking on such matters should not be restricted and should be permitted in line with a protocol for speaking on pre-applications.

Further to the content of the report, a request was made that consideration be given to the ward boundaries of the Planning Sub Committees due to a concern that was raised with regards to access to meetings via the use of public transport. It was noted that a Motion had been submitted to request that a meeting of Council considers this matter.

It was agreed that the views of political groups be sought on the issue of Planning Sub Committee membership, prior to the submission of the report to Council on 22 March 2017.

RESOLVED - That the comments of the Committee be incorporated within a report to be submitted to the meeting of Council on 22 March 2017, and that consultation take place with political groups regarding the constitution of Planning Sub Committees.

7

Review of the Standards Regime/ Members Code of Conduct

The Committee gave consideration to a report which had been submitted to the meeting of Standards Committee on 17 January 2017. The purpose of the report was to review the operation of the Standards process since its introduction in 2012 and consider options for changes to the Member Code of Conduct and Standards Regime, and for monitoring and making decisions on allegations of misconduct. The Committee were provided with a summary of the decisions and comments made by Standards Committee in relation to the recommendations set out within the considered report.

The Committee noted the recommendations for proposed changes to the regime as set out within the report and endorsed the views and comments that had been made at the meeting of Standards Committee.

It was noted that the report would be submitted to the meeting of Council on 22 March 2017.

RESOLVED - That the report be noted and submitted to Council on 22 March 2017 with a recommendation that the recommendations as set out in the considered report, as amended by the meeting of Standards Committee on 17 January 2017, be approved.

8 Annual Report on Grants and Returns 2015/2016

The Committee received the KPMG Annual Report on grants and returns 2015/2016. The report summarised the work that had been carried out by the external auditor on the Council's 2015/2016 grant claims and returns. The work that had been completed in this period included the certification of one claim, which was the Council's 2015/2016 Housing benefit Subsidy Claim, at a value of £120m. In addition, assurance reports were provided for the following claims/returns; Teachers' Pensions return, Pooling of Housing Capital Receipts return, NCTL Initial Teacher Training return, Homes and Communities Agency compliance audit, and Skills Funding Agency sub-contracting arrangements. It was noted that KPMG had not made any recommendations to the Council from their work during 2014/2015, or 2015/2016. The report provided a summary of reporting outcomes and certification work outcomes for the works undertaken.

RESOLVED - That the Annual Report on Grants and Returns 2015/2016 be received and noted.

9 External Audit Plan 2016/2017

The Committee received the KPMG External Audit Plan 2016/2017, and noted that the audit had the two key objectives of reviewing the Council's Financial Statements, including the Annual Governance Statement, and reviewing the use of resources.

The report provided information on the Financial Statements Audit Planning, which had taken place during December 2016 and January 2017 involving the key aspects of Risk Assessment, determining materiality level and the issue of the Audit Plan to communicate the Audit Strategy. The Committee noted the significant audit risks identified and the work that had been undertaken in terms of Value for Money arrangements.

RESOLVED - That the External Audit Plan 2016/2017 be received and noted.

10 External Audit Progress Report and Technical Update

The Committee received the KPMG Technical Update and External Audit Progress Report which provided an overview of progress by KPMG on delivering its responsibilities as the Council's External Auditor. The report provided a summary on the areas of Financial Statements, Value for Money and Certification of claims and returns, in addition to an update on KPMG resources which cited reference to relevant publications.

The Committee also noted the updated information set out within the report on technical developments which provided an overview of (i) children in need of help or protection and (ii) consultation on 2017-2018 work programme and scale of fees.

RESOLVED - That the External Audit Report and Technical Update be received and noted.

11 Arrangements for the selection of an External Auditor - 2018/2019 and onwards

The Committee received a report which advised that, under the Local Audit and Accountability Act 2014, the Authority was required to appoint its own external auditors for the financial year 2018/19, and beyond, following a process of competition.

The report set out three possible options for the Auditor Panel, with the recommendation that the preferred option would be to use the LGA Sector Lead Body (Public Sector Audit Appointments Ltd), which would be the simplest method and would present the lowest overall risk.

The Committee were in support of the preferred option and noted that the decision was to be taken by a meeting of Council. The report advised that the Council was required to commit to Public Sector Audit Appointments Ltd by 9 March 2017.

RESOLVED - That the report be noted and submitted to Council on 22 March 2017 with a recommendation that Public Sector Audit Appointments Ltd be asked to carry out Auditor Panel duties on behalf of the Council and nominate a proposed external auditor.

12 Future Shape and Size of Internal Audit

The Committee received a report which set out proposals for the Council's internal audit function. The report explained that, in the climate of reducing resource levels, it was appropriate for consideration to be given to the type of internal audit provision that was needed. The combined finance function proposal to reduce the resources available for Council and Kirklees Neighbourhood Housing by approximately a third would reduce the level of assurance that internal audit was able to provide in the future.

The report advised that, if the proposed level of resource was accepted, there were some changes that would be needed to achieve an effective audit delivery function. In terms of overall resourcing, the Committee were advised that there was probably sufficient resource to provide between 1000 and 1150 days of work, enabling the delivery of approximately 110 assignments per annum. It was not proposed that any area of activity was overtly removed from the areas of potential audit activity but that the lower level activity was subject to five yearly reviews. The report advised that audit work would be delivered starting with the highest profile work, and ensuring that the most important assurance work was done each year.

RESOLVED -

- 1) That the report be received and noted.
- 2) That the Head of Internal Audit be requested to (i) prepare a single Audit Plan for the Council for 2017/2018 (ii) amend the Audit Charter to reflect changes as detailed within the report to take effect from April 2017 and (iii) agree to establish a single Audit Plan for Kirklees Neighbourhood Housing and the Housing revenue Account combined, and submit a further report to the meeting of the Committee on 10 March 2017.

13 Exclusion of the Public

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

14 Internal Audit Quarter 3 2016/2017

(Exempt 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.)

The Committee received the Internal Audit Quarterly Monitoring Report, covering the period October to December 2016.

Further to discussions at the previous meeting, the Committee also met with Mark Freeth, Head of Building Services and Heidi Thompson, Kirklees Neighbourhood Housing Director of Property, to discuss policies and procedural matters in regards to vehicle use within Building Services. The Committee were informed that a review of vehicle use was currently in progress with the proposed new system being implemented with effect from 1 April 2017. It was agreed that a further report would be submitted to a future meeting once the changes had been embedded.

RESOLVED -

- 1) That the Internal Audit Quarter 3 Monitoring report be received and noted.
- 2) That a further report be submitted to the Committee in approximately 6 to 9 months to provide an update on the review of processes regarding the use of vehicles within Building Services.