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## KIRKLEES COUNCIL

### CORPORATE GOVERNANCE AND AUDIT COMMITTEE

**Friday 5th July 2019**

Present: Councillor Will Simpson (Chair)  
Councillor Kath Pinnock  
Councillor Steve Hall  
Councillor John Taylor  
Councillor Paola Antonia Davies  
Councillor Susan Lee-Richards

Observers: Councillor Elizabeth Smaje  
Councillor Paul Davies

Apologies: Councillor Martyn Bolt

**1 Membership of the Committee**

Apologies for absence were received on behalf of Councillor Bolt.

**2 Minutes of Previous Meeting**

Approved as a correct record.

**3 Interests**

No interests were declared.

**4 Admission of the Public**

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

**5 Deputations/Petitions**

None received.

**6 Public Question Time**

No questions were asked.

**7 Bad Debts Write Off**

The Committee received a report which set out detail of written off debt during the 2018-2019 financial year. The report advised that, overall, a total of £5.99m of debt had been written off, which was equivalent to 1.31% of debt raised, and an increase of the equivalent percentage last year, which was 1.4%.

The Committee were advised that the write offs for Adult Social Care debt related to the collection and recovery of adult social care charges and that the write-offs within Finance and Transactional Services mainly related to housing benefit overpayment recovery.

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In terms of the Housing Revenue Account, the Committee were advised that the write off figure of £0.78m included approximately £0.72m for former tenant liable costs which would be covered by set aside bad debt provision.

A summary of the schedule of debts written off during the past 12 month period, including an analysis of the reasons for write-off, was set out at Appendix A of the considered report. It was noted that, whilst the debt had been written off, the debt would continue to be pursued if there was a change in terms of the prospect for recovery.

**RESOLVED** - That the 2018-2019 bad debts write off information be received and noted.

### **8 Financial Management Code of Practice**

The Committee received a report which highlighted the scope and principles underpinning the CIPFA Financial Management Code Consultation Version, which had been designed to support good practice in financial managements to assist local authorities in demonstrating financial sustainability. It was noted that the consultation had run for a 6 week period, during March and April 2019, and that the final version was expected to be implemented from April 2020, which would require local authorities to demonstrate long term financial sustainability of capital expenditure and associated borrowing.

The report advised that each local authority would have a duty to ensure that the requirements of the Code were being satisfied and be able to demonstrate compliance. The Committee noted that an initial self-assessment of compliance would be submitted to the meeting of the Committee on 13 September 2019 for consideration by Members, and would subsequently form part of the Annual Governance Statement self-assessment process.

**RESOLVED** - That the CIPFA Financial Management Code (Consultation Version) be received and noted and that the proposals for self-assessment of compliance with the Code be endorsed.

### **9 Update on Council's final accounts for 2018/19.**

The Committee received a report which provided an update on the final accounts and audit processes for 2018/2019. The report advised that (i) the Council's draft accounts had been signed on 30 May 2019, in line with the revised closedown requirements (ii) the six week public inspection period for the draft accounts had commenced and would expire on 12 July 2019 and (iii) the audit of the 2018/2019 Statement of Accounts had now been completed.

The report also advised of one outstanding objection, raised on 14 July 2017, which related to the lawfulness of three of the Council's Private Finance Initiative Schemes, and was hoped to be resolved by 26 July 2019.

Discussion took place in regard to the Statement of Accounts and the comprehensive income and expenditure statement as appended to the report, which set out detail of the accounting cost in the year of providing services in accordance with generally accepted accounting principles, rather than the amount to be funded

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from taxation. The Committee also received the balance sheet, which illustrated the Council's assets and liabilities at the end of year.

**RESOLVED** - That the update of the Council's final accounts for 2018/2019 be received and noted.

### **10 Informing the Audit Risk Assessment**

The Committee received a report which set out details of a statement of risk, which the Council had been asked to complete at the request of External Auditor, Grant Thornton. The document, 'Informing the Audit Risk Assessment', which was appended to the considered report, related to matters including financial reporting and internal control, fraud risk assessment, the impact of laws and regulations and ongoing concern considerations.

The Committee were advised that the information and responses would be used by External Audit when providing their opinion on the Audited Statement of Accounts and Annual Governance Statement which would be presented to the Committee on 26 July 2019.

**RESOLVED** - That the risk assessment document, 'Informing the Audit Risk Assessment' for Kirklees Metropolitan Council' be endorsed and approved for submission to Grant Thornton External Audit.

### **11 A Revised Employee Relations Framework**

The Committee received a report which provided an update on revisions to the Council's Employee Relations Framework and sought approval for the deletion of Employee Relations Sub-Committee.

The Committee were advised that a review of the effectiveness of the previous framework had been undertaken and that the outcomes had highlighted that the framework was too complex and lacked clarity with regards to consultation, negotiation and decision making. Consequently, the revised framework had been developed jointly between People's Services, trade union representatives and the Cabinet Portfolio Holder and was based upon a standard model which is used across a range of other local authorities.

The report advised that the new framework, which was attached at Appendix 2 of the considered report, was modern and transparent, provided clarity regarding arrangements for engagement with trade unions at a local, directorate and corporate level and aimed to create a process of inclusion and collaborative working with trade unions. It was noted that, as a result of the framework, there was no longer a requirement for Employee Relations Sub Committee to remain constituted and the Committee were therefore asked to support the deletion of the Committee.

**RESOLVED** - That the revised Employee Relations Framework be endorsed and that a report be submitted to Council on 17 July 2019 recommending a constitutional amendment to delete Employee Relations Sub Committee.

### **12 Members Allowance Independent Review Panel - Locality Lead Role**

The Committee received a report which sought approval for the submission of the recommendation of the Members Allowance Independent Review Panel in respect

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of the remuneration for Locality Lead Role to be submitted to Council on 17 July 2019.

The Committee were advised that the Independent Panel had reviewed the role profile and associated responsibilities and had agreed to recommend a remuneration at Band D, equating to £5,007, and that this would be subject to review in November 2019 in recognition that it is a new and developing role.

In considering the proposal, the Committee were of the view that that they would wish to be provided with further information regarding the responsibilities of the role before making a decision as to submit the recommendation to Council. It was requested that a revised and updated role profile, and further information regarding clarification of the role, be presented to a scheduled meeting of the Committee.

**RESOLVED** - That the consideration of the recommendation of the Members Allowances Independent Review Panel (MAIRP) be deferred to a future meeting of the Committee to request the submission of more information to provide clarity on the job description for the role of Locality Lead.