

Contact Officer: Leigh Webb

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 15th November 2019

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

Councillor G Turner (ex-officio)

1 Membership of the Committee

Councillor Martyn Bolt and Councillor Steve Hall submitted apologies.

2 Minutes of Previous Meeting

RESOLVED - That the Minutes of the meeting held on 13 September 2019 be approved as a correct record.

3 Interests

No interests were declared.

4 Admission of the Public

It was noted that Agenda Items 13 and 14 would be considered in private session (Minute No. 13 and 14 refers).

5 Deputations/Petitions

None received.

6 Compulsory Review of Polling Districts and Polling Stations

The Committee received details of amendments to a report regarding the review of Polling Districts and Polling Stations which had been originally considered and agreed by the Corporate Governance and Audit Committee on 13 September 2019. The original report was appended to the amendment report.

It was reported that following information provided by the Gazetteer, anomalies had been identified within the (Acting) Returning Officer (ARO) submission which was appended to the report. The anomalies related to the details provided regarding the properties affected by the boundary changes in MF04/MF05 and DE02/DE03. It was explained that the location of the proposed boundary changes remained unchanged.

A revised ARO submission setting out the amendments was attached with amended text is highlighted for the Committee's attention.

RESOLVED - That the revisions to the original report, submitted to this Committee on 13 September 2019, be noted.

7 Information Governance Annual Report

The Committee received a report on the main Information Governance events and activities for the year 2017/18 including:

- Information Governance matters, particularly the impact of the new General Data Protection Regulation
- Information access requests under the Freedom of Information Act 2000,
- Environmental Information Regulations 2004
- Subject access requests made under the Data Protection Act 2018.
- An outline of the improvements and developments planned for 2019/20

Discussion took place with regards to (i) compliance with staff mandatory training requirements (ii) compliance in respect of requests for access to personal information received and processed in line with data protection legislation and (iii) elected member access to online training.

RESOLVED –

1. That the Information Governance Annual Report 2018/19 be noted.
2. That, in addition to the Annual Report, a half yearly update be submitted to this Committee.

8 External Audit Progress Report and Sector Update

The Committee received a verbal progress report from Grant Thornton External Auditors, which set out the progress made on delivering responsibilities. It was reported that the statement of accounts would be signed off next week. Work had been undertaken to review the existing valuation of assets.

Reference was made to recent consultations in respect of the following:

Code of Audit Practice

Local Authority Finance Reporting and External Audit

CPFA Financial Management Code

RESOLVED - . That the External Audit Progress report and Sector Update be received and noted

9 Treasury Management - Half Yearly Monitoring

The Committee received a report which provided an overview of half-yearly treasury monitoring for the period 1 April to 30 September 2019. It was noted that (i) the report provided assurance that the Council's treasury management function was being managed prudently and pro-actively (ii) external investments averaged £34.9m during the period at an average rate of 1.12% and (iii) investments had ranged from a peak of £42.7 and a low of £22.5m.

The report advised that the treasury management revenue budget was forecast to underspend by £2.7in 2019/2020, against an annual budget provision of £22.2m. The change in Minimum Revenue Provision (MRP) policy has resulted in an overall

underspend against baseline of £13.5m. The revised Minimum Revenue Provision (MRP) policy is to provide for MRP on the basis of the asset life to which external borrowing is incurred rather than the older version of a 4% reducing balance of the Capital Financing Requirement (CFR). The MRP calculation is used to determine the amount of revenue resources that need to be set aside annually by the Council to meet its debt obligations.

The report provided an overview and key headlines in terms of (i) economic context (ii) investment performance (iii) borrowing performance (iv) revenue budget monitoring (v) prudential indicators (vi) future treasury management strategy and (vii) borrowing and investment general strategy 2019/20.

RESOLVED -

- (1) That the half-year treasury management 2019-2020 performance report be noted.
- (2) That the report be referred to the meeting of Cabinet on 3 December 2019 and Council on 15 January 2020.

10 Risk Management Update Report

The Committee received a report which set out information on the Council's Risk Management Statement, providing an overview of the current position and actions that were being taken to improve the organisational approach to risk management.

Discussion took place regarding care sector pay inflation and the waste management strategy in light of the fact that the waste disposal contract is due to expire in 2023.

(The Committee considered the exempt information at Agenda Item 13 (Minute No. 13 refers) in respect of this item).

RESOLVED -

That the Risk Management update report be received and noted.

11 Quarterly Report of Internal Audit 2018/2019 (Quarter 2)

The Committee received a report which set out the activities of internal audit during the second quarter of 2019/2020. The report contained information regarding 14 formal opinion based pieces of work, 3 investigations and various other projects and tasks. It was noted that, overall, 100% of the work in the new period had reflected a positive outcome, and that the cumulative positive outcome for the year was 78%.

(The Committee considered the exempt information at Agenda Item 14 (Minute No. 14 refers) in respect of this item).

RESOLVED - That the Internal Audit Quarterly Report (Quarter 2) be received and noted.

12 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 Minutes.

13 Risk Management Update Report

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, 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, which would protect the interests of the Council and the company concerned, outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.)

The Committee received a report which set out information on the Council's Risk Management Statement, providing an overview of the current position and actions that were being taken to improve the organisational approach to risk management. The action plan, setting out the risks, was appended to the considered report.

RESOLVED –

- (1) That the Risk Management update report be received and noted.
- (2) That future reports include details of mitigation/remedial measures in respect of the key significant areas of risk.

14 Quarterly Report of Internal Audit 2018/2019 (Quarter 2)

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, 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, which would protect the interests of the Council and the company concerned, outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making.)

The Committee received the Quarter 2 report of Internal Audit, covering the period July to September 2019. The report set out details of internal audit activity and provided an update on the monitoring of progress regarding the implementation of the Annual Governance Statement, and other assurance information.

RESOLVED - That the Internal Audit Quarterly Report (Quarter 2) be received and noted.