

Contact Officer: Leigh Webb

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 24th January 2020

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

Councillor E Smaje - Chair Overview and Scrutiny
Management Committee (Ex-officio)

Apologies: Councillor Steve Hall

- 1 **Membership of the Committee**
Apologies for absence were received on behalf of Councillor Steve Hall.
- 2 **Minutes of Previous Meeting**
That the Minutes of the meeting held on 15 November 2019 be approved as a correct record.
- 3 **Interests**
No interests were declared.
- 4 **Admission of the Public**
It was noted that Agenda Item 13 would be considered in private session (Minute No. 13 refers).
- 5 **Deputations/Petitions**
No deputations or petitions were received.
- 6 **Public Question Time**
No questions were asked.
- 7 **Place Partnerships Lead Member Role - Update**
The Committee received a report which set out an update on the progress of the Place partnership Lead Member role following its approval by Council on 18 September 2019.

The report advised that as Part of the Place Partnerships initiative, the Council had agreed to establish a Place partnership Lead Member role. A copy of the role profile was appended to the report.

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The report set out details of the Lead Members along with an update of progress across the seven place partnerships.

The Committee were briefed on the outcome of a Members Allowances Independent Review Panel (MAIRP), which had met on 10 January 2020 to consider evidence relating to outcomes and workload, as a means of assessing whether the current level of allowance was appropriate to the role. It was reported that the MAIRP considered that the allowance had been fixed at the correct level based on the evidence received.

During discussion of this item Members highlighted the issue of sustainability in respect of the two current pilot themes, namely, Mental Health and Domestic Abuse. Clarification was also sought as to whether with the introduction of new themes, Lead Councillors would be expected to oversee and lead on these in addition to outstanding work on existing themes. The Panel discussed the workload of Members and potential changes to the role going forward. Councillor J Taylor placed on record his concern that the MAIRP were not aware on 10 January of potential changes to role arising from the introduction of new themes.

RESOLVED – That any changes to the context and future of the role going forward be submitted to the MAIRP for consideration, prior to consideration by this Committee.

8 Amendments to the Health and Wellbeing Board Terms of Reference

The Committee received a report seeking endorsement of proposed changes to the Health & Wellbeing Board Terms of Reference. It informed the committee about new arrangements to manage the Children and Young People's Partnership and to develop a new Children and Young People's Plan. The Health and Wellbeing Board has agreed to provide governance for this work and to amend its terms of reference in order to do so. A copy of the amended terms of reference were appended to the report. It was reported that subject to this Committee's endorsement the proposed changes to Terms of Reference will progress to Council.

RESOLVED- That this Committee endorses the amended terms of reference for the Health and Wellbeing Board to provide an appropriate cross sector governance route for the oversight of the work of the Children and Young People's Partnership.

9 Treasury Management Strategy 2020-2021

The Committee considered a report which set out the Treasury Management Strategy 2020-2021, prior to its submission to Cabinet on 28 January 2020 and Council on 12 February 2020.

The report (i) outlined the outlook for interest rates and credit risk and recommended an investment strategy (ii) outlined the current and estimated future levels of Council borrowing and recommended a borrowing strategy (iii) reviewed methodologies adopted for providing for the repayment of debt and recommended a policy for calculating minimum revenue provision (iv) reviewed other treasury management matters, including the policy on the use of financial derivatives, prudential indicators, the use of consultants, and the policy on charging interest to

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the Housing Revenue Account, and (v) recommended an annual Investment Strategy for the Council in 2020-2021 in line with MHCLG (2017) guidance.

The Head of Accountancy reported that the additional audit fee that were going through the Public Sector Accountancy Appointments (PSAA) fee variation process had been agreed. It was reported that Audit certificates for 2016/17 and 2017/18 had been issued and additional audit fees associated with this work were as follows:

- PFI objection - £20,963
- Additional work associated with closing the 2016/17 audit - £859
- Additional work associated with closing the 2017/18 audit – £859

RESOLVED - That Corporate Governance & Audit Committee recommend the following for approval by Cabinet and then Council:

- (i) the borrowing strategy outlined in paragraphs 2.15 to 2.21;
- (ii) the investment strategy (treasury management investments) outlined in paragraphs 2.22 to 2.31 and Appendices A and B;
- (iii) the policy for provision of repayment of debt (MRP) outlined in paragraphs 2.32 to 2.36 and at Appendix C;
- (iv) the treasury management indicators in Appendix D;
- (v) the Investment Strategy (Non-Treasury Investments) at Appendix E.

10 **Audit Progress Report and Sector Update**

The Committee received the external audit progress report and sector update, as submitted by Grant Thornton Audit. The report provided an update, as at January 2020, which set out details emerging national issues and developments.

During consideration of this item, concerns were expressed in relation the delay in signing off the Council's Statement of Accounts and the risk of reputational damage to the Council. Robin Baker explained that the delay resulted from the need for Grant Thornton to meet extra demands of the Financial Reporting Council as a result of an existing loan being considered a Public Interest Entity.

RESOLVED - That in the event of the Statement of Accounts not being signed off by the date of the next meeting, arrangements be made to invite a Senior National Partner of Grant Thornton to address Members of this Committee.

11 **Quarterly Report of Internal Audit 2019/2020 (Quarter 3)**

The Committee received a report which set out the activities of internal audit during the third quarter of 2019/2020. The report contained information regarding 22 formal opinion based pieces of work and various other projects or tasks. It was noted that, overall, 84% of the work had reflected a positive outcome, and that the cumulative positive outcome for the year was 80%, which was equal to the target.

The Committee were also advised that under the Regulation of Investigatory Powers Act Policy 2000, there had been no surveillance activities in this quarter.

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

RESOLVED - That the Internal Audit Quarterly Report (Quarter 3) 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 Minute.

13 Quarterly Report of Internal Audit 2019/2020 (Quarter 3)

(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 3 report of Internal Audit, setting out activity covering the period October to December 2020.

RESOLVED - That the Internal Audit Quarterly Report (Quarter 3) be received and noted.