

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Wednesday 20th January 2021

Present: Councillor Will Simpson (Chair)
Councillor Donald Firth
Councillor Kath Pinnock
Councillor Steve Hall
Councillor John Taylor
Councillor Susan Lee-Richards

Observers: Councillor Graham Turner (Ex Officio)

Apologies: Councillor Paola Antonia Davies

1 Membership of the Committee

Apologies for absence were received on behalf of Councillor P A Davies.

2 Minutes of Previous Meeting

RESOLVED – That the Minutes of the Meeting held on 24 November 2020 be approved as a correct record subject to the amendment of Minute No. 11 to reflect that authority is delegated to the Chair of the Committee and the Service Director (Finance) to sign off the final accounts.

3 Declarations of Interest

No interests were declared.

4 Admission of the Public

It was noted that Agenda Items 13 and 14 would be considered in private session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Questions by Members of the Public

No questions were asked.

7 Business Continuity Assurance

The Committee received an update on the Council's business continuity in terms of (i) the business continuity assurance report and (ii) the Council's response to and recovery from the pandemic.

The Business Continuity Assurance Report summarised the findings of the annual business continuity assurance survey, and provided an indication of business continuity preparedness across the organisation. The Committee noted that the results of the survey had reflected high compliance scores in areas including risk

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assessment, business impact analysis, maintenance and review of business continuity plans, identification of critical and non-critical activities and content of business continuity plans. The report highlighted the areas where low compliance scores had been achieved where further work would be undertaken. In terms of the Council's response to and recovery from the pandemic, it was noted that the Corporate Business Continuity Framework had been activated, and that a Corporate Business Continuity Team had been formed with the aim of ensuring that the Council could continue to deliver its most critical services.

The report set out a summary of successful outcomes that had been achieved and learning points that had been identified. The Committee noted and discussed the content of the report, and requested that its thanks to the Business Continuity Team, along with the wider Council workforce, for its operational response to the pandemic, be recorded. It was agreed that a further report would be submitted to a future meeting regarding a progress update and an overview on how the learning points arising from the pandemic are being applied in business continuity.

RESOLVED – That the Business Continuity Assurance Report and the Council's Business Continuity Response to the pandemic be noted.

8 Treasury Management Strategy 2021/2022

The Committee received the Treasury Management Strategy 2021/2022, in accordance with the CIPFA Code of Practice on treasury management. The report provided information regarding (i) the outlook for interest rates and credit risk, and a recommended investment strategy (ii) the current and estimated future levels of Council borrowing (internal and external) and a recommended borrowing strategy (iii) methodologies adopted for providing for the repayment of debt and a recommended policy for calculating minimum revenue provision (iv) 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 the housing revenue account and (v) a recommended an annual investment strategy in line with MHCLG guidance.

It was noted that an amendment was required at paragraph 2.38 to read that 'the Officer recommendation is to maximise the remaining balance of MRP unwind of £49.5m, over the 2020-2024 period to support the Council's medium term budget strategy'.

The Committee were advised that the report would be submitted to the meeting of Council (Budget) on 10 February 2021.

RESOLVED – That the Treasury Management Strategy 2021/22 be noted and referred to the meeting of Council on 10 February 2021.

9 External Audit Update

The Committee received the External Audit Findings Report (Year Ended 31 March 2020) from Grant Thornton External Audit.

The report set out an update on headlines regarding (i) the impact and challenges of Covid-19 (ii) financial statement reporting, including current outstanding matters and

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(iii) value for money arrangements. It also set out an overview of the scope of the audit approach, significant identified audit risks and new risks and issues that were identified during the course of the audit that had not previously been communicated, key estimates and judgements, and ongoing concerns.

RESOLVED – That the External Audit update report be received and noted.

10 Risk Management Update

The Committee gave consideration to a report which provided an update on the Council's Risk Management Statement and arrangements for Corporate Risk Management.

The report advised that the Corporate Risk Matrix identified ongoing risks and issues, many of which had been affected by Brexit and the ongoing pandemic. The latest version, which was attached as an appendix to the report, had been updated in December to reflect changes regarding EU relations.

The Committee noted the information detailed within the corporate risk register and risk management action plan (appendix 1) and also the exempt information at Agenda Item 13 (Minute No. 13 refers).

RESOLVED – That the Risk Management Update report be noted.

11 Quarterly Report of Internal Audit Q3 2020/2021

The Committee received a report which set out the activities of Internal Audit in Quarter 3, 2020/2021. The Committee noted that much of the work undertaken had been unplanned rather than routine due to the ongoing pandemic but that planned audits including housing rents and service charges, business centre income, grounds maintenance income collection, vehicles maintenance and taxi licensing had been completed.

The report advised that a substantial amount of work had been undertaken in regards to supporting the implementation of the statutory and local discretionary business grant schemes, particularly in terms of control arrangements and the prevention and investigation of fraud.

The Committee noted that there had been no activity in relation to the Regulation of Investigatory Powers Act during the quarter. Exempt information was provided at Agenda Item 14 (Minute No. 14 refers) as to work undertaken and the assurance opinions provided.

RESOLVED – That the Quarterly Report of Internal Audit (Q3) 2020/2021 be noted.

12 Exclusion of the Public

RESOLVED – That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting during the consideration of the following items of business, on the grounds that they involve the likely disclosure of exempt information, as defined in Part 1 of Schedule 12A of the Act.

13 Risk Management Update

(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 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee noted the exempt information, which was an appendix to Agenda Item 10.

14 Quarterly Report of Internal Audit Q3 2020/2021

(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 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee noted the exempt information, which was an appendix to Agenda Item 11.