

Contact Officer: Leigh Webb

## KIRKLEES COUNCIL

### CORPORATE GOVERNANCE AND AUDIT COMMITTEE

**Friday 24th September 2021**

Present: Councillor Yusra Hussain (Chair)  
Councillor Steve Hall  
Councillor Susan Lee-Richards  
Councillor Kath Pinnock  
Councillor John Taylor  
Councillor Alison Munro

Observers: Councillor Paul Davies, Cabinet Member (Resources)  
Councillor Elizabeth Smaje, Chair of Overview & Scrutiny  
Committee

Apologies: Councillor Melanie Stephen  
Councillor Erin Hill (ex-Officio)

**1 Membership of the Committee**

Apologies for absence were received on behalf of Councillor Mel Stephens and Cllr Erin Hall. Councillor Alison Munro substituted for Councillor Paola Davies.

**2 Minutes of Previous Meeting**

**RESOLVED** – That the Minutes of the meeting held on 13 August 2021 be approved as a correct record.

**3 Declarations of Interest**

There were no declarations of interests.

**4 Admission of the Public**

It was noted that Agenda item 15 would be considered in private session.

**5 Deputations/Petitions**

There were no deputations or petitions received.

**6 Public Question Time**

No public questions were submitted.

**7 Corporate Customer Standards Annual Report 2020-21**

The Committee received a report on Corporate Customer Standards 2020-21. The report updated the Committee on complaint issues and performance during the previous year.

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The report was informed by the Local Government Ombudsman Annual Report which was published in July 2021. The report incorporated information about third stage complaint handling, some key examples of learning and a summary of the Whistleblowing concerns that had been received.

The ultimate sanction that the Local Government Ombudsman could apply was to issue a formal report against a Council. Those were usually issued where a matter was very serious and had a number of process issues to consider and resolve. In 2020-21 there were no formal reports issues against Kirklees Council.

Ombudsman upheld complaints were similar to previous years. It was noted that the Ombudsman was closed for new complaints for 3 months of the year and it was difficult to consider what impact the pandemic had on complainant behaviour.

Kirklees Council was approximately 19% of the West Yorkshire total and attracted a proportionate rate of referrals. Fewer upheld complaints were received than anticipated by population.

Learning from complaints was noted, the Committee was informed that working with complaint matters across the council increased learning from complaints.

### **RESOLVED –**

- (i) That the Committee recognise the excellent work of the Complaints team,
- (II) That the report be noted

### **8 Annual report on Bad Debt write-offs 2020-21**

The Committee received a report on Bad Debt write-offs 2020-21. Overall write-offs for 2020-21 were less than 2019-20 with some debt showing in future years due to very little debt recovery throughout the pandemic. It was noted that there was restricted enforcement recovery during the pandemic due to being unable to attend court. No recovery took place on business rates due to the team processing payments of government grants to businesses.

Although debt recovery was down, it was felt that was not a true reflection due to the pandemic and would be reflected in 2021-22.

There was a difference in finance write offs due to many debts raised in 2020-21 that weren't raised in 2019-20. Adult Social Care had been targeted, there was a dedicated recovery team that pursued Adult Social Care historical debt, that had been targeted for write off.

The Housing Revenue Account and Council Tax write offs were significantly reduced, which was a reflection of the pandemic. A provision in the accounts had been made for outstanding debts.

### **RESOLVED –**

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- (i) That benchmarking figures for write-offs in other Local Authorities be provided in future reports
- (ii) That the report be noted

### **9 Committee System Proposal**

The Committee considered a report on Committee System Proposal. On 8<sup>th</sup> September 2021 Council approved the Corporate Governance and Audit Committee to determine the next steps in relation to the motion to consider a committee system governance model.

The Committee was asked to appoint an independent advisor Mark Edgell, who was from the Local Government Association to work with Councillors, beginning with an informal session of the committee to determine the next steps of the proposal and to establish a clear timetable.

#### **RESOLVED –**

- (i) That Mark Edgell be appointed to advise and work with the committee on the review process
- (ii) That an informal meeting be arranged with the Committee to meet Mark Edgell to discuss the key work areas, the timetable for the key milestones and timetable of work required.

### **10 Annual Governance Statement 2020-21**

The Committee received a report seeking the approval of the 2020/21 Annual Governance Statement signed off by the Chief Executive and Leader of the Council. The Statement covered 2020/21 and up to the date at which the Annual Statement of Accounts was approved. The Statement concluded that overall the governance arrangements remained fit for purpose. It was reported that the draft Statement had been noted at the August meeting of this Committee and had remained largely unchanged, albeit reflecting feedback and issues raised then as appropriate.

It was explained that the statement had been compiled following the annual review of the effectiveness of the overall internal control and governance arrangements and was based on a number of forms of assurance which had been presented to various parts of the Council during the year. It was reported that a number of significant governance issues had been highlighted, all but one were brought forward from the 2019-20 statement, reflecting both the wide-ranging nature of the issues and action required, as well as the unique impact of the pandemic.

The actions and controls the Council was taking were contained within an Action Plan that accompanied the statement. It was reported that the Action Plan would be the subject of internal monitoring, with reporting back to Executive Team during 2021/22.

**RESOLVED -** That the Annual Governance Statement 2020/21 be approved.

**11 External Audit Findings Report 2020-21**

The Committee received the External Audit Finding Report, for year end 31 March 2021, as submitted by Grant Thornton.

It was reported that Grant Thornton's audit work was completed remotely during July to September 2021 and the findings were summarised within the report. The Committee was advised that the report was a draft and the final report would be shared with the Committee at a later meeting. At this stage Grant Thornton had not identified any adjustments to the financial statements that result in an adjustment to the Council's Comprehensive Income and Expenditure Statement, Balance Sheet or General Fund. It was anticipated that the audit report opinion would be unmodified and unqualified, with reference to the material estimation uncertainty disclosure in the financial statements regarding property valuation as a key audit matter.

During discussion of this item, Councillor John Taylor stressed the importance of Members updating their Interests.

**RESOLVED** - That the External Audit Findings Report be received and noted.

**12 Council's Final Accounts 2020-21**

The Committee received a report on the final accounts and audit processes for 2020/21 which sought Committee approval of the Council's Statement of Accounts for 2020/21 and a final version of the Annual Governance Statement.

The preparation of the Statement of Accounts was a statutory requirement and local authorities were normally required to have them signed by the section 151 Officer by 31 May and published with an Audit Certificate by 31 July, following the end of the financial year. However, in a sector-wide response to the consequences of the COVID-19 pandemic and noting the recommendations from the Redmond Review, the statutory deadline for the production of the unaudited Statement of Accounts for 2020-21 was revised. For the Council the revised deadline was 31 July. The accompanying deadline for the completion of the audit was also amended to 30 September 2021.

It was reported that there were no queries or objections raised in the six week public inspection period and that Value For Money formed part of the audit process which was now 3 months later. The date was now December 2021.

A discussion took place regarding the Councils reserves, it was agreed that a paper on the Councils reserves would be taken to Corporate Scrutiny Panel with members of this Committee being invited.

**RESOLVED** – That the Committee approves:

(i) The Statement of Accounts 2020/21 incorporating the Annual Governance Statement (Appendix A), with the Chair certifying the Statement of Responsibilities on page 22 upon completion of the audit.

(ii) The Letter of Representation (Appendix B), with the Chair signing it on

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behalf of the Committee upon completion of the audit.

### 13 **Financial Reporting Council Audit Quality Review on Grant Thornton**

The Committee was asked to consider a quality review by the Financial Reporting Council on the council's external auditor, Grant Thornton.

In accordance with their routine selection of audits, the Financial Report Council's Audit Quality Review (AQR) team had completed a review of the audit. The report set out the scope of the review, the assessment of the quality of the audit work reviewed, any key findings and any examples of good practice that AQR sought to draw out from the inspection.

The Audit Quality Review had reviewed and assessed the audit of the financial statements and the conclusion on the Value for Money arrangements only. The Audit Quality Review had not assessed the adequacy of the entity's financial controls of financial reporting.

The details of the work and conclusions were provided in a private appendix, in accordance with the Financial Reporting Council's standard arrangements for confidentiality.

**RESOLVED:** That the Committee notes (following consideration of the private appendix) the conclusions of the Financial Report Council.

### 14 **Exclusion of the Public**

**RESOLVED** – That acting under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for 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, as specifically state in the undermentioned minute.

### 15 **Financial Reporting Council Audit Quality Review on Grant Thornton**

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 13.