

Contact Officer: Yolande Myers

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 17th June 2022

Present: Councillor Yusra Hussain (Chair)
Councillor Ammar Anwar
Councillor Paola Davies
Councillor Harry McCarthy
Councillor Elizabeth Reynolds
Councillor Joshua Sheard

Apologies: Councillor John Taylor
Councillor Paul Davies (ex-Officio)

1 Membership of the Committee

Apologies for absence were received on behalf of Councillor Paul Davies and Cllr John Taylor. Councillor Paola Davies substituted for Councillor Kath Pinnock.

2 Minutes of Previous Meeting

RESOLVED – That the Minutes of the meeting held on 13 May 2022 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 all agenda items would be considered in public session.

5 Deputations/Petitions

There were no deputations or petitions received.

6 Public Question Time

No questions were asked.

7 Annual Report on Treasury Management 2021/22

The Committee received the annual report on Treasury Management activities for the previous financial year. The report reviewed borrowing and investment performance.

Investments averaged £78.9 million and were largely deposited in instant access accounts earning an average interest rate of 0.12%. Total external borrowing at 31 March 2022 increased by £43.1 million to £468.9 million (£425.8 million as at 31 March 2021). The Council took £50 million new Government long term loans from the Public Works Loan Board (PWLB) and an additional £20 million Local Authority medium term loans (2-3 years). Temporary borrowing decreased for the year by

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£20.0 million to £21.5 million (£41.5 million 31st March 2021). The majority of borrowing was on fixed rate terms and the average long-term borrowing rate for 2021/22 relating to all long-term debt on the balance sheet was 3.84%. Short-term borrowing rates averaged 0.49%.

Following approval within the 2018/19 Treasury Management Strategy there was a further increase in the un-winding in the General Fund MRP for 2021/22. The maximum amount of un-wind in any one year cannot be more than the overall annual MRP calculation, as otherwise the Council would end up in a negative MRP position, which is not allowable under accounting rules. The calculation estimated for 2021/22 was £13.7 million. The actual MRP calculation for 2021/22 was £15.6 million and hence the maximum unwind allowable. However, in 2021/22 the actual unwind was in-line with the budget at £13.7 million

RESOLVED – That the Committee note the treasury management performance as set out in this report.

8 External Audit Plan

The Committee received the External Audit Report, for year end 31 March 2022, as submitted by Grant Thornton.

The report advised that the Council had set a balanced budget for 2021/22 and 2022/23 although Grant Thornton noted funding pressures existed into the medium term financial plan which would require addressing.

The Committee noted that the Covid-19 pandemic continued to have a significant impact on the Council, and during 2021/22 the Council had been focused on response and recovery. The report advised that the Council has had to work differently at all levels to be able to deliver all its required services effectively. The Council had continued to receive Covid-19 related grant funding from central government for distribution to businesses and residents.

The Committee was advised that the significant risks identified were (i) Management override of controls (ii) Valuation of land and buildings, council dwellings and investment property and (iii) Valuation of the pension fund net liability.

RESOLVED – That the External Audit Findings Report, for Year end March 2022, be received and noted.

9 Government response to local audit framework: technical consultation

The Committee received a report which outlined the outcomes from a consultation on local audit matters.

The report advised that the government response to consultation included information about how the Audit Reporting & Governance Authority would operate in relation to local authority external auditing and indicated an intention to create a statutory obligation for local authorities to have an Audit Committee, including an independent member.

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The Committee noted that there was no need for any action at this stage. The exact contents of any legislation and or regulations, statutory guidance, or guidance may require or suggest changes to the role of the committee and its membership at some point in the future.

RESOLVED –

- 1) That the Committee note the outcome of the consultation.
- 2) That a further report be considered at the next meeting of the Committee outlining (i) details of any clarification following the consultation (ii) the recruitment and governance process of appointing a lay person with timescales.