

Contact Officer: Leigh Webb

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 30th September 2022

Present: Councillor Yusra Hussain (Chair)
Councillor Harry McCarthy
Councillor Elizabeth Reynolds
Councillor Joshua Sheard
Councillor John Taylor

In attendance: Eamonn Croston, Service Director, Finance
Stephen Nixon, Grant Thornton
Sarah Brown, Acting Head of Welfare and Exchequer
Julian Hobson, Acting Head of Service, Financial, Transactional Services
David Stickley, Senior Legal Officer
Martin Dearnley, Head of Risk, Financial, IT and Transactional Services
Laura Burrell, Electoral Services Manager
Simon Straker, Audit Manager
Samantha Lawton, Head of Governance
Councillor Paul Davies (Ex-Officio)
Councillor Jo Lawson (Ex-Officio)

Apologies: Councillor Ammar Anwar
Councillor Elizabeth Smaje (Ex-Officio)

1 Membership of the Committee

Apologies for absence were received on behalf of Councillor Ammar Anwar and Councillor Liz Smaje. Councillor Alison Munro substituted for Councillor Kath Pinnock.

2 Minutes of Previous Meeting

RESOLVED – That the Minutes of the meeting held on 15th July 2022 be approved as a correct record.

3 Declarations of Interest

No interests were declared.

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 Democracy Commission Update

The Committee received an update relating to the recent work of the Democracy Commission.

Cllr John Taylor advised the Committee that the Democracy Commission had met with the final Local Authority asking them to give evidence on their governance model.

The Committee heard that the Commission had viewed written responses from Partners and Members and would be considering Officer responses at the next meeting. The Commission would then begin to draw all the evidence together and prepare a report to be considered by the Corporate Governance and Audit Committee by the end of 2022.

RESOLVED: That the work of the Democracy Commission be noted.

8 Interim Polling District Review

The Committee received a report which asked for approval to amend the polling district boundaries following the conclusion of an interim polling district review.

The report advised that in accordance with section 18c (subsection 1) of the Representation of the People Act 1983, Kirklees Council had conducted a review of polling districts DE02, DE03 and DE04 located in the Dewsbury East Ward along with LG05 and LG06 located in the Liversedge and Gomersal Ward.

The review had been conducted to address immediate polling station issues which related to the development of a new housing estate in Dewsbury East, and the lack of unsuitable buildings within the current polling district boundaries in Liversedge and Gomersal. The review sought to improve accessibility to polling stations for electors within the defined areas.

RESOLVED: That the amendment as per the (Acting) Returning Officer's proposals be approved.

9 Update on Representation on Outside Bodies

The Committee received an update on the Representation on Outside Bodies.

The Service Director, Legal, Governance & Monitoring had delegated authority, in consultation with Group Business Managers, to receive and process nominations to the Outside Bodies. Any Changes in the Council's representation on Outside Bodies are reported to Corporate Governance and Audit Committee for Information.

Kirklees Council upon its formation in 1974 was given responsibility for appointing two trustees for the Mitcheson Bequest that benefited the poor of Heckmondwike. The term of office for Trustees was four years. Cllr Steve Hall and Cllr Viv Kendrick had been nominated as trustees and agreed by the Group Business Managers.

RESOLVED:

- (i) That Mitcheson Bequest be added to the list of Outside Bodies for Kirklees Council
- (ii) That Cllr Steve Hall and Cllr Viv Kendrick be approved as trustees to the Mitcheson Bequest with immediate effect.

10 Annual report on bad debt write-offs - 2021/22

The Committee received a report on Bad Debt write-offs 2021-22.

Overall write-offs for 2021-22 were less than 2020-21. The overall percentage written off had reduced year on year for the last two years. It was noted that there was a likelihood of more suppressed bad debt, which could be reflected in future years write offs, alongside some continued economic volatility depending on the pace of global, national and local recovery from Covid.

The figures for write offs of Adult Social Care debt, Housing Benefit Overpayments recovery, Housing Revenue Account (HRA), Business Rates and Council Tax made up the top 5 areas for write offs and demonstrated how important it was for everyone to pay their share of the charges to help fund essential Council Services. The recovery action highlighted was to ensure that all collectable debts outstanding were to be pursued through appropriate recovery action and support for the customer. Additional resources were to be deployed to recover unpaid Council Tax or Business Rates quicker and more effectively once older debts that had been through the recovery process had been removed. Tighter processes and procedures continued to be put in place to maximise recovery of collectable debts earlier in the process.

RESOLVED:

- (i) That the Annual report on bad debt write-offs-2021/22 be noted
- (ii) That the Committee acknowledged and thanked the team for all their work on debt recovery.

11 Draft Annual Governance Statement 2021/22

The Committee received a draft report noting the 2021/22 Draft Annual Governance Statement prior to it being signed off by the Chief Executive and Leader, and to consider whether the issues raised reflected the state of the governance and control framework during 2021/22.

The Statement covers the period up until the 2021/22 Annual Statement of Accounts are approved, but there may be a need for revisions to be made in the text, reflecting the findings from the external audit and anything material in the intervening period. The Statement concluded that overall the governance arrangements remained fit for purpose. It was reported that good progress had been made since the last Statement in addressing several of the issues highlighted and these had been omitted from the current statement, as they no longer represented a threat to the organisation. Similarly, where there had been a change of focus or circumstance, this had resulted in several issues being combined and revised. It was reported that the Action Plan would be the subject of internal monitoring, with reporting back to Executive Team and Corporate Governance and Audit Committee during 2022/23.

RESOLVED:

- (i) That the report be noted
- (ii) That the report be approved for public comment.

12 Audit Progress Report and Sector Update

The Committee received a verbal update from Stephen Nixon from Grant Thornton. It was reported that further to the submission of the Audit Plan at the June 2022 meeting of the Committee, work had progressed well with engagement and prompt responses from the finance team, with most of the audit fieldwork being complete by 30th September 2022.

It was noted that the financial statement audit would not be complete until confirmation had been received from the Authority's Pension Fund and their external auditor regarding the pension fund liability, and completion of audit work on infrastructure asset valuation. A statutory instrument was due to be issued by the Government setting out reduced disclosure requirements of valuation of infrastructure assets.

The Committee heard that the Value for Money Audit was being undertaken throughout October and November by the Firm's specialist value for money auditors. Findings were to be reported in the Auditor's Annual Report.

RESOLVED: That the report be noted.

13 Appointment of an Independent Member to the Corporate Governance & Audit Committee

The Committee received a report to consider the appointment of an Independent Member of Corporate Governance and Audit Committee.

In summer 2022, the government indicated an intention to create a statutory obligation for local authorities to have an Audit Committee, including an Independent Member. In discussion at the Committee meeting on 17th June 2022, the Committee considered that there would be merit to adopting the proposal which included an Independent Member.

The Committee heard that if they were minded to progress the proposal, it would need to seek authority from Council to amend its terms of reference.

In a discussion, it was noted that the preference would be to appoint an Independent Member who had a financial background, and that the terms of reference should allow for an independent person to remain over the 3 years in specific circumstances.

RESOLVED:

- (i) That the process for the appointment of an Independent Member be approved
- (ii) That the necessary changes to the Committee's Terms of Reference be referred to Council

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- (iii) That subject to agreement, Cllr Kath Pinnock, as the longest serving Member of the Corporate Governance and Audit Committee was included in the recruitment process.