

Contact Officer: Leigh Webb

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 24th November 2023

Present: Councillor James Homewood(Chair)
Councillor Harry McCarthy
Councillor John Taylor
Councillor Kath Pinnock
Councillor Mohan Sokhal (Substitute)
Chris Jones (Independent Member)

In attendance: Julie Muscroft – Service Director, Legal, Governance and Commissioning
Martin Dearnley – Head of Internal Audit
James Anderson – Head of Accountancy
Rachel Firth – Finance Manager (virtual)
Rob Blackmore - Deputy Electoral Services Manager
Aaron Gouldman – Grant Thornton
Councillor Paul Davies (Ex-Officio)
Councillor Elizabeth Smaje (Ex-Officio - virtual)

Apologies: Councillor Naheed Mather
Councillor Melanie Stephen

1 Membership of the Committee

Apologies for absence were received on behalf of Councillor Naheed Mather and Councillor Melanie Stephen. Councillor Sokhal attended as a substitute for Councillor Mather.

2 Minutes of Previous Meeting

In response to a question concerning Minute 12 of the last meeting, relating to budget management and forecasting process, the Head of Internal Audit reported that he was due to meet to discuss the issue with the Chair and would provide an update at the next meeting.

RESOLVED – That the Minutes of the meeting held on 29th September 2023 be approved as a correct record.

3 Declarations of Interest

No interests were declared.

4 Admission of the Public

It was noted that Agenda Item 12 would be considered in private session.

5 Deputations/Petitions

There were no deputations or petitions received.

6 Public Question Time

No questions were asked.

7 Half Yearly Monitoring Report on Treasury Management Activities 2022/23

The Committee received a report providing assurance that the Council's treasury management function was being managed prudently and pro-actively. External investments, including the £10.0 million Local Authority Property Fund (LAPF), averaged £44.5 million during the period at an average rate of 4.43%. Investments ranged from a peak of £76.1 million in April to a low of £25.8 million in August. It was reported that all treasury management activities undertaken during the period complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits were set out in Appendix 1 of the report. Details of the treasury management revenue budget of £33.4 million was set out in the report, along with the new requirement in the 2021 Code, mandatory from 1st April 2023, of quarterly reporting of the treasury management prudential indicators. The report highlighted that the non-treasury prudential indicators were now incorporated in the Council's normal quarterly revenue reports along with the treasury management indicators.

RESOLVED –

That the Committee noted the half-year treasury management performance in 2023/24 as set out in the report,

8 Audit Findings Report

The Committee received the draft External Audit Finding Report, for year end 31 March 2023, as submitted by Grant Thornton.

It was reported that Grant Thornton's audit work was completed both onsite and remotely July to October and the findings were summarised within the report. The Committee was advised that the report was a draft, and that following a final internal quality review it was expected to be signed off in the next 2 weeks. To date, no misstatements to the financial statement had been identified that had resulted in adjustments being made to the Council's Income and Expenditure Statement. Audit adjustments and managerial recommendations were appended to the report.

It was reported that the value for money work was now complete and summarised within the report. The Annual Auditors report will be submitted to the next meeting of this committee following the insertion of the management response. It was explained that headline risk conclusions relate to financial sustainability in the medium term and the deficit within the Dedicated Schools Grant.

During consideration of this item, Committee Members discussed issues relating to the minimum revenue provision; the progress in relation to financial sustainability and the achievement of identified savings; and the recovery plan in respect of the Dedicated Schools Grant.

RESOLVED –

That the draft External Audit Findings Report be received and noted,

9 Approval of the Council’s Final Accounts 2022-23

The Committee received a report setting out an update on the final accounts and audit processes for 2022/23 and requested Members of this Committee to approve the Council’s Statement of Accounts for 2022/23 including the final version of the Annual Governance Statement. The preparation of the Statement of Accounts was a statutory requirement and local authorities were now required to have them signed by the section 151 Officer by 31 May and published with an Audit Certificate by 30 September, following the end of the financial year.

It was reported that despite the significant challenges to the Council’s finance team dealing with multiple competing demands, the draft accounts were completed and signed by the Council’s Service Director - Finance on 29 June 2023. The Head of Accountancy highlighted that there were no queries or objections raised in the six week public inspection period. The audit of the 2022/23 Statement of Accounts was substantially complete and the Council’s auditors, Grant Thornton, had issued their Draft Audit Findings Report (ISA 260). The report highlighted that the Council’s Annual Governance Statement had been approved by this committee on 29th September, with authority delegated to the Chief Executive in consultation with the Leader of the Council to make necessary minor amendments to the statement.

During discussion of this item, it was confirmed that a slight amendment in respect of the AGS wording in relation point 4 relating to housing, as raised at the last meeting, would be incorporated. It was further confirmed that the text within the AGS had been reviewed with regard to the Dedicated Schools Grant.

RESOLVED –

- (i) The Statement of Accounts 2022/23 incorporating the Annual Governance Statement (Appendix A) be approved, with the Chair of the Corporate Governance and Audit Committee certifying the Statement of Responsibilities set out on page 23 upon completion of the audit.
- (ii) The draft Letter of Representation (Appendix B) be approved, with the Chair signing the final version on behalf of the Committee upon completion of the audit.

10 Statutory Polling Districts and Places Review

The Committee received a report setting out a review of the Council’s polling districts and polling places, which had been conducted in conjunction with the (Acting) Returning Officer. The review had been carried out in accordance with section 18C of the Representation of the People Act 1983, and seeks to improve accessibility to polling stations for electors within the defined areas and ensure that Kirklees had a polling scheme in place which reflected the new Parliamentary constituencies.

It was reported that the last review of polling districts and places for the Kirklees area had taken place in May 2019 and that statutory polling district and places

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reviews were required to take place on a 5-year cycle. The report set out a number of proposed amendments to polling districts within Kirklees.

With regard to Parliamentary boundaries, it was explained that the Boundary Commission for England was currently undertaking a review of parliamentary constituency boundaries. The Commission had now published its final recommendations, and Orders for the new parliamentary constituency boundaries will be made by the end of November 2023.

RESOLVED: That the polling district boundaries be amended as per the (Acting) Returning Officer's proposals as summarised from section 2.2 onwards and provided at appendix 3 of the report, to allow for better access to polling stations prior to the next scheduled election and to ensure that Kirklees has a polling scheme in place to facilitate the next Parliamentary election on the new constituency boundaries.

11 **Information Governance Annual Report 2022/23**

The Committee received a report providing an update on the Information Governance service and offer to the Council, outlining key events and activities across the year. The report focused on four key areas; organisational culture change, compliance, records of processing activity (RoPA), and records management before examining the challenges, successes and next steps.

Presentation slides were submitted to accompany the report which highlighted the challenges and achievements throughout the year including details of the Subject Access Requests (SARS) backlog; current resources and service demands.

During discussion of this item, Members acknowledged the increased number of Freedom of Information and SARs requests and the measures in place to deal with the backlogs. It was explained that many requests are of a complex nature, requiring detailed input from services across the Council. The report outlined next steps and future plans for information governance in service and across the Council, supporting compliance and service delivery.

RESOLVED: That Corporate Governance and Audit Committee note the Information Governance Annual Report and that the proposed actions are enacted and kept under review.

12 **Quarterly Report of Internal Audit Q2 2023/24 - July 2023 to September 2023**

The Committee received a report which set out the activities of the Internal Audit in quarter 2 of 2023/24.

The report set out the work of Internal Audit that had been completed in the period shown above, including the remainder of work relating to last year's plan, plus that for the current one approved at the April meeting of this Committee. It was reported that all work included had reached a finalised state and, except where shown otherwise in the report, management had accepted the findings and agreed to implement the recommendations, or, in the case of employee investigations, any disciplinary action had been through the required stages and any appeal time. Where an assurance opinion was appropriate these reflected the standard framework set out in the report.

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The Committee acknowledged that there had been no Regulation of Investigatory Powers Act activity during the period quarter 2 2023/24.

RESOLVED – That the Q2 Internal Audit Report 2023/24 be noted.

13 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.

14 Quarterly Report of Internal Audit Q2 2023/24 - July 2023 to September 2023

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 12.