

Contact Officer: Nicola Sylvester

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 10th May 2024

Present: Councillor James Homewood (Chair)
Councillor Yusra Hussain
Councillor Harry McCarthy
Councillor John Taylor
Councillor Kath Pinnock
Councillor Mohan Sokhal (Substitute)
Councillor Donna Bellamy (Substitute)

In attendance: Steve Mawson, Chief Executive
Rachel Spencer-Henshall, Strategic Director, Corporate Strategy,
Julie Muscroft, Service Director, Legal Governance and Commissioning,
Kevin Mulvaney, Service Director, Finance
Leigh Webb, Acting Head of Governance
David Stickley, Principal Lawyer (Virtual)
Martin Dearnley, Head of Risk and Internal Audit
James Anderson, Head of Accountancy (Virtual)
Gareth Mills, Grant Thornton
Greg Charnley, Grant Thornton
Joel Hanna, Head of Childrens Sufficiency, Resources, Improvement & Partnership
Vicky Metheringham, Service Director, Childrens (Virtual)

Apologies: Chris Jones (Independent Person)
Councillor Graham Turner – Ex Officio

1 Membership of the Committee

Apologies were received on behalf of Councillor Graham Turner, Ex Officio and Chris Jones, Independent Person.

Mohan Sokhal attended as Labour Substitute
Donna Bellamy attended as Conservative Substitute.

2 Minutes of Previous Meeting

RESOLVED: That the minutes of the meeting of 19th April 2024 be approved as a correct record.

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3 Declaration of Interests

No Interests were declared.

4 Admission of the Public

It was noted that agenda item 17 would be considered in private session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

There were no public questions.

7 Informing the Audit Risk Assessment for Kirklees Metropolitan Council

The Committee received a report on Informing the Audit Risk Assessment for Kirklees Metropolitan Council.

The Council's External Auditor, Grant Thornton, had asked that Council Officers completed the 'Informing the audit risk assessment for Kirklees Council 2023/24' which consisted mainly of a schedule of issues relating to (i) General Enquiries of Management (ii) Fraud (iii) Fraud Risk Assessment (iv) Laws and Regulations (v) Impact of Laws and Regulations (vi) Related Parties with whom the council had or recorded transactions (vii) Going concerns (viii) Accounting Estimates (ix) Accounting Estimates – General Enquiries of Management.

The Committee noted that External Audit had requested they affirm that they believed the assertions to be true (or have no reason to believe that they were untrue).

RESOLVED: That the Informing the Audit Risk Assessment for Kirklees Metropolitan Council be formally submitted to Grant Thornton.

8 Kirklees Council External Audit Plan 2023-24

The Committee received Kirklees Council External Audit Plan 2023-24 from Grant Thornton, who advised that the report provided an overview of the planned scope and timing of the statutory audit of Kirklees Council for those charged with governance. The scope of the audit was set in accordance with the Code of International Standards on Auditing. Grant Thornton was responsible for forming and expressing an opinion on the council and groups financial statements that had been prepared by management with the oversight of those charged with governance and updated the Committee on (i) Significant risks (ii) Group Audit (iii) Materiality (iv) Value for Money arrangements (v) Audit logistics.

During consideration of this item, the Committee noted that the Dedicated School Grant overspend and dealing with the accumulated deficit position was related to high needs.

RESOLVED: That the External Audit Plan 2023-24 be noted.

9 Proposed Amendment of arrangements for Corporate Parenting Board

The Committee received a report which proposed amendments of arrangements for Corporate Parenting Board.

To support the establishment of broader partnership arrangements to deliver the authorities duties for ensuring corporate and partnership arrangements were in place, and to strengthen current arrangements in supporting children in care and care leavers in line with the authority's statutory responsibilities across a wider range of partners, it was proposed that the current arrangements set out in the council's constitution for oversight of the Corporate Parenting Board be amended. This reflected that the Board would be a closed partnership meeting following the revision of terms of reference and revised Corporate Parenting Strategy.

RESOLVED: That proposed amendments of arrangements for Corporate Parenting Board, as set out in this report, be recommended to Annual Council for approval.

10 Proposed Amendments to Contract Procedure Rules

The Committee received a report setting out information on proposed changes to Contract Procedure Rules for the year 2024/25. The Contract Procedure Rules ensured that the Council was acting in line with current legislation and other developments in public law when conducting procurements. The proposed changes within the report related to minor updates to the procurement threshold limits and updated to Rule 8 Disposals.

RESOLVED: That proposed changes to Contract Procedure Rules 2024/25, as set out in the report, be recommended to Annual Council for approval.

11 Proposed Amendments to Financial Procedure Rules

The Committee received a report setting out information on proposed changes to Financial Procedure Rules for the year 2024/25. The proposed changes related to capital budgeting and budgetary control arrangements and minor proposed changes regarding grants. It was reported that the sections affected were most of FPR3 and clause 5 of section 22. All the text changes were highlighted within Appendix 1 by a table showing them as now and as proposed against each paragraph. The changes proposed in the report were intended to make clear that once Council had determined a capital plan, all specific projects, or programmes of expenditure required a business case that must be approved by Cabinet. There were no changes to financial limits or authority and the same procedures were presented in a way intended to be slightly simplified and easier to follow. It was highlighted that the changes made clear that any grants received from government and West Yorkshire Combined Authority required formal incorporation into the council capital budget process, including an approved business case for any capital investment and that any onerous grant conditions were subject to Cabinet approval.

RESOLVED: That the proposed changes to Financial Procedure Rules, as set out in the report, be recommended to Annual Council

12 Proposed Amendments to the Council's Constitution

The Committee received a report which set out a number of proposed changes to the Council's constitution, along with details of amendments made since 2023, on the authority of the Council and by the Monitoring Officer using delegated powers.

The report set out the proposed changes in relation to the different parts of the constitution, with information setting out detail of the proposed change and which approval and/or comment was sought. It was noted that there had been some changes using delegated authority granted to the Monitoring Officer by Council on 20th May 2015 to reflect changes to officer's titles, typing or grammatical errors, old references, and new legislation. The list of changes made using the Monitoring Officer's delegation were set out in Appendix 1 for information and members were asked to note the changes.

During discussion of the item, the Committee made reference to the proposed process of petitions, deputations, written questions and speaking rights.

The Committee requested the wording be more defined for petitions, along with petition debates to be scheduled within a reasonable time period.

The Committee felt that for deputations, video and audio presentations could be a useful tool, although they acknowledged that requests would have to be timely and comply with the Council's IT Security policy.

The Committee was supportive of the change for written questions at full Council meetings but not for the proposed changes to questions at Cabinet and Council committees, due to public participation and transparency, it was suggested that this proposed change be part of a future review.

With regards to supplementary questions and answers recorded on the webcast, the Committee suggested that the time limit of 12 months be removed, and for it to be in line with the Council's retention policy.

The Committee suggested that speaking rights for Members and public at committees be considered as part of a future review.

RESOLVED:

1. That the changes made to the Constitution in 2023-24 listed in Appendix 1 be noted
2. That the proposed changes to the Constitution set out in section 2 of the report be approved with the following recommendations:
 - (i) Amendments to CPR 9 relating to the presentation of petitions and referral of subject matter.
 - (ii) Amendments to CPR 9a subject to the replacement of the word "may" with "will" and clarification that where a debate is requested (for petitions exceeding 3000 valid signatures) this will be scheduled within a reasonable time period.

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- (iii) Amendments to CPR's 9 and 10 to make them consistent with CPR 11 in respect of the need to be a resident or business owner in Kirklees in order to be able to present a petition or deputation.
- (iv) That the proposed amendments in respect of CPR 11(6) be applied to CPR 12 for written questions by the public and Elected Members at Full Council meetings only.
- (v) That CPR 12(6) be approved subject to the removal of wording "with the consent of the Chair"
- (vi) Amendments to CPR 11(7) subject to the removal of wording "for a period of 12 months".
- (vii) Proposals relating to Member Speaking Rights (CPR 36(1)), Permission to Speak by Members of the Public (CPR 37), Video requests for deputations (CPR10) and the wider application of the proposals set out in (v) above to Cabinet and Council Committees be subject to further consideration following a future review.

3. Notes that work will continue to keep the Constitution under review.

4. Recommends to Council that they note and approve (as applicable) the above recommendations and delegate authority to the Service Director – Legal, Governance and Commissioning to make appropriate amendments to the constitution which may be agreed by Council as well as any consequential amendments to the constitution to reflect the changes agreed.

13 Internal Audit Annual Report for 2023/24

The Committee received the Internal Audit Annual Report for 2023/24 which provided information about Internal Audit activity during 2023/24, and an assurance opinion from the Head of Internal Audit and Risk.

The Head of Internal Audit was required each year to provide an opinion to the Council about the level of assurance that was provided through systems of governance, risk management and financial control. The report concluded that there was just sufficient evidence to demonstrate that the Council's system was largely effective.

During consideration of this item, it was noted that Kirklees Internal Audits should be comparable with other Local Authorities and the Head of Risk was asked to seek information and report it to a future meeting of the Committee. The Committee noted a creeping increase in limited assurance raised concerns. The Committee suggested that persons accountable for the limited assurances should attend this Committee to provide an explanation.

RESOLVED: That the Internal Audit Annual report be noted.

14 Internal Audit Plan 2024/25

The Committee received a slightly revised Internal Audit Plan 2024/25 which addressed matters discussed in connection with the Audit Plan at the meeting of this Committee on 19th April 2024.

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The Corporate Governance and Audit Committee had requested the proposed first half, and draft second half plans for 2024/25 to be supplemented by one additional audit and to allocate the audits between quarters.

RESOLVED: That the Internal Audit Plan 2024/25 be noted.

15 **Quarterly report of Internal Audit Q4 - January 2024 - March 2024**

The Committee received the Quarterly Report of Internal Audit Quarter 4 – January 2024-March 2024 which provided Internal Audit activity during the final quarter of 2023/24.

All work included in the report had reached a finalised state and, except where shown otherwise, management had accepted the findings and agreed to implement the recommendations. A number of audits were awaiting finalisation and would be reported in the next quarter.

During discussion, it was noted that the position a from previous follow-up audit review in 2022/23 for Emergency Duty Service remained unchanged, with implementation of the 8 outstanding recommendations still needed. The Committee suggested that the service be invited to a future meeting to provide an update.

RESOLVED: That the Quarterly report of Internal Audit Q4, January – March 2024 be noted.

16 **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 stated in the undermentioned minutes.

17 **Quarterly Report of Internal Audit Q4, January 2024 - March 2024**

The Committee noted the exempt information, which was a supplement to agenda item 15.