

Contact Officer: Nicola Sylvester

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 28th June 2024

Present: Councillor John Taylor (Chair)
Councillor James Homewood
Councillor Imran Safdar
Councillor Caroline Holt (Virtual)
Councillor Paola Davies

Co-optees Chris Jones

In attendance: Rachel Spencer- Henshall, Strategic Director, Corporate Strategy
David Stickley, Principal Lawyer
Leigh Webb, Acting Head of Governance
Martin Dearnley, Head of Risk and Internal Audit
James Anderson, Head of Accountancy (Virtual)
Simon Straker, Audit Manager
Alice Carruthers, Senior Finance Officer – Risk, Governance and Commissioning
Rachel Firth, Finance Manager (Virtual)
Chris Read, Corporate Customer Standards Officer

Apologies: Councillor Angela Sewell
Councillor Kath Pinnock
Councillor Cathy Scott (ex-Officio)
Councillor Bill Armer (ex-Officio)

1 Membership of the Committee

Apologies were received on behalf of Councillor Angela Sewell, Councillor Kath Pinnock, Councillor Cathy Scott and Councillor Bill Armer.

Councillor Paola Davies substituted on behalf of Councillor Kath Pinnock.

2 Minutes of Previous Meeting

The minutes of the meeting held on 12th May 2024 be approved as a correct record.

3 Declaration of Interests

No interests were declared.

4 Admission of the Public

All items were considered in public session.

5 Deputations/Petitions

No Deputations or Petitions were received.

6 Customer Standards 2023/24 Interim Report

The Committee received an interim report on customer standards 2023/24 which set out initial performance information for 2023 and noted plans for changing the complaints procedure.

The report included statistical information from across West Yorkshire relating to the number of Ombudsman complaints received which highlighted that Kirklees had received significantly fewer complaints than anticipated by population and set out detail of third stage complaints, highlighting two service areas which accounted for 37% of third stage complaints.

The Local Government Ombudsman had proposed a new complaints code that was intended to set out a standard complaint procedure for all councils to follow prior to escalation to the Ombudsman. The code was expected to be introduced and followed by April 2026, with councils needing good cause to depart from the advice the Ombudsman provided. As part of the refreshed complaints process, it was intended to propose a new customer standards statement which affirmed the Council's commitment to providing accurate, helpful and timely advice to residents.

During considerations of this item, the Committee suggested that a pyramid of first level complaints be provided at service level, along with recording percentages of those complaints that transpired into second/third level complaints.

RESOLVED – That the Customer Services 2023/24 Interim Report be noted.

7 Annual Report on Treasury Management 2023/24

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

Investments averaged £59.9 million and were largely deposited in instant access accounts earning an average interest rate of 5.26%. Total external borrowing at 31 March 2024 increased by £93.5 million to £707.3 million (£613.8 million as at 31 March 2023). The Council took £190 million new Government long term loans from the Public Works Loan Board (PWLB) and an additional £10 million Local Authority medium term loans (2-3 years). The large increase in long term loans were a result of borrowing for the capital plan, re-financing existing borrowing maturing during the year and a reduction in reserves. The Council converted temporary borrowing into fixed rate loan which accounted for 95.19% of total long-term debt giving the Council stability in its interest costs and minimising exposure to fluctuating short term rates. An external review of Minimum Revenue Provision (MRP) during 2023/24 identified an overprovision of £34.2m in total, allowing for a future in-year unwind of £6.3 million resulting in zero MRP charged to revenue in year.

During consideration of this item, the Committee suggested that the external auditors provide their comments on the MRP at a future meeting.

RESOLVED – That the Annual Report of Treasury Management 2023/24 be noted.

8 Draft Annual Governance Statement 2023/24

The Committee received a draft report noting the 2023/24 Annual Governance Statement prior to it being signed by the Chief Executive and Leader, and to consider whether the issues raised reflected the state of governance and control framework during 2023/24.

The Statement covered the period up until the Annual Financial Accounts 23/24 are approved and concluded that overall, the governance arrangements were fit for purpose. The Statement was a statutory requirement and accompanied the Statement of Accounts in order to provide readers with assurance about the governance and internal control environment in which they have been complied and to which they related.

The Statement highlighted a number of Significant Governance Issues. Several of the issues from the 2022/23 statement that had been brought forward reflected the nature of the issues and action required. Consideration had been given to a number of potential new issues and there had been incorporated. The actions and controls the Council were taking were contained within a recommended Action Plan.

During conversation of this item, the Committee raised concerns around governance of the council regarding portfolio holder posts not being filled, in particular a portfolio holder for finance. The Committee also felt that the control environment of the council wasn't as robust as in previous years, particularly around the recruitment of senior management. It was noted that the Committee felt the actions in the report were not actual actions but more of a generic statement. The Committee requested that the wording in the report be more specific.

RESOLVED – That the Draft Annual Governance Statement 2023/24 be noted.

9 Amendments to Risk Management Statement

The Committee received a report which provided amendments to the Risk Management statement.

The Risk Management Framework set out the approach that the council took in identifying, assessing, mitigating, monitoring and reviewing risks throughout the organisation. The revised Risk Management Policy and Risk Management Strategy and Guidance document provide the basis for the Risk Management Framework.

The Risk Management Policy replaced the existing Risk Management Statement dated 2018, and detailed the principles that the council adhered to, that ensured effective management of risk at all levels throughout the organisation. The Policy outlined the key roles and responsibilities for officers, and members and set out the governance routes that were followed for monitoring and reporting of risk.

The Risk Management Strategy and Guidance provided additional guidance of support to individuals involved in the application of the Risk Management Policy, with the Risk Appetite Statement was a separate document currently under development with a target completion date being at the end of Q2 2024-25.

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During conversation of this item, the description of the Inherent Risk Assessment in the Risk Management Strategy & Guidance was questioned, officers agreed to look at the description and provide examples.

RESOLVED – That the amendments to the Risk Management Statement be approved.

10 Agenda Plan 2024/25

The Committee reviewed the 2024/25 agenda plan.

RESOLVED - That the agenda plan for 2024/25 be approved.