

Contact Officer: Nicola Sylvester

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 6th December 2024

Present: Councillor John Taylor (Chair)
Councillor James Homewood
Councillor Angela Sewell
Councillor Caroline Holt
Councillor Kath Pinnock
Councillor Imran Safdar

Co-optees Chris Jones

In attendance: Samantha Lawton, Service Director, Legal, Governance and Commissioning (Monitoring Officer)
Kevin Mulvaney, Service Director, Finance
James Anderson, Head of Accountancy (Virtual)
Simon Straker, Audit Manager
Sarah S Brown, Acting Head of Welfare and Exchequer
Councillor Tyler Hawkins (ex-Officio)
Greg Charnley, Grant Thornton
Gareth Mills, Grant Thornton

Apologies: Councillor Bill Armer (ex-Officio)

1 Membership of the Committee

No apologies from Committee Members were received.

2 Minutes of Previous Meeting

RESOLVED- That the minutes of the meeting held on 27th September 2024 be approved as a correct record.

3 Declaration of Interests

No Interests were declared.

4 Admission of the Public

It was noted that Agenda item 13 would be considered in private session.

5 Deputations/Petitions

No deputations or petitions were received.

6 Public Question Time

No questions were asked.

7 Notice of appointment of 2nd Independent Person

The Committee received a report providing an update on the appointment of a second independent person.

Samantha Lawson, Service Director, Legal, Governance and Commissioning advised the Committee that concerns had been raised regarding the risks associated with only having one Independent Person, and authority had been sought, and was given by Annual Council in May 2019 for the Monitoring Officer to recruit a second Independent Person. The role of the Independent Person is a statutory role, and they must be consulted on formal standards issues. The Independent Person provides the monitoring officer with advice on receipt of councillor complaints.

RESOLVED- That the Notice of appointment of 2nd Independent Person report be noted.

8 Annual report on Bad Debt Write-Offs 2023-24

The Committee received a report on Bad Debt write-offs 2023-24.

Overall write-offs for 2023-24 were slightly lower than 2022-23. The overall percentage written off in 2023-24 was slightly lower in % terms than 2022-23 but remained an ongoing issue due to the current financial climate and in part due to the build-up of debts throughout the pandemic. It was noted that there was a likelihood of more suppressed bad debt, this would be debt due to current circumstances and would be harder to collect, therefore taking longer to recover moving forward.

The figures for write offs of Adult Social Care debt, Housing Benefit Overpayments recovery, Housing Revenue Account (HRA), 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 debt process had been challenging with staff shortages due to unexpected absences and difficulties recruiting, along with the cost-of-living crisis and a rise in the number of customers accessing adult social care services. The Committee noted that whilst all the debts highlighted in the report had been formally written off in its accounts for 2023-24, that did not mean that the Council would not write the debts back on the accounts and then pursue if new information came to light and the prospect for recovering outstanding debts changed in the future.

During consideration of this item, the Committee requested further information be provided on future reports regarding the outstanding debts at the end of the year along with the age profile. It was noted that the service was in contact with other Local Authorities to gain an understanding of their good working practices to improve debt collection.

RESOLVED- That the Annual Bad Debt Write-Off 2023-24 report be noted.

9 Half yearly Monitoring report on Treasury Management activities 2024-25

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 £61.6 million during the period at an average rate of 5.06%. Investments ranged from a peak of £103.5 million in April to a low of £27.9 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 £27.1 million was set out in the report, along with the new requirement in the 2021 Code 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.

During discussion of this item, the Committee raised questions regarding the liability benchmark and the councils ongoing need for significant borrowing around access the loans and if it the council would be able to afford to service them, along with questions around changing the Minimum Revenue Provision (MRP) and if the new version was more or less prudent than the previous one.

James Anderson, Head of Accountancy advised that regarding liability benchmarking and accessing loans, there would be no problems borrowing required funds. With regards to MRP and prudence, the important thing was to look at various areas with professionals which included Treasury Advisers, Head of Accountancy, Deputy Chief Executive Officer and the Section 151 officer who would need to satisfy themselves that the council could repay the debt through revenue received each year. The prudent MRP view looked to evolve each year looking at statute and the remit within that statute, which would look at where the assets were and where the borrowing could be and apply a suitable rate to pay an element of the capital back through the fullness of time.

RESOLVED- That the half-yearly treasury management activities in 2024-25 as set out in the report be noted.

10 Quarterly report of Internal Audit Q2 July - September 2024

The Committee received a report which set out the activities of the Internal Audit in quarter 2 of 2024/25.

The report set out the work of Internal Audit that had been completed in the period July – September 2024. 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. A number of audits were awaiting finalisation and would be reported in the next quarter. 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 2024/25.

During discussion of this item, the Committee raised concerns around the limited assurance of tenancy allocations in Homes and Neighbourhoods which were around the fundamental recommendation and number of significant recommendations. The Committee requested that Officers provide an update on the recommendations in the report which was to be considered at their meeting in March 2025.

It was noted that the chair of the Committee would liaise with the Head of Internal Audit regarding a detailed report on areas that had adequate assurance, but where there were significant or merits attention recommendations, and to provide the committee with assurance that all audits had been conducted thoroughly and followed up, to be considered at a future meeting by the Committee.

RESOLVED- That the Quarterly report of Internal Audit Q2 July -September 2024 be noted.

11 Agenda Plan 2024/25

RESOLVED- That the Agenda Plan for 2024/25 be noted.

12 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.

13 Quarterly report of Internal Audit Q2 July - September 2024

RESOLVED-That the Committee noted the exempt information, which was an appendix to Agenda item 11.