

Contact Officer: Nicola Sylvester

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 25th April 2025

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

Co-optees Chris Jones

In attendance: Rachel Spencer-Henshall, Deputy Chief Executive and Executive Director for Public Health and Corporate Resources,
Samantha Lawton, Service Director, Legal, Governance and Commissioning,
Janet Sharpe, Interim Service Director, Homes and Neighbourhoods,
Leigh Webb, Head of Governance,
Martin Dearnley, Head of Risk,
James Anderson, Head of Finance and Accountancy,
Graham Sykes, Housing Services Strategic Manager,
Sam Whitaker, Senior Finance Officer,
Councillor Carole Pattison, Leader of the Council,
Greg Charnley, Grant Thornton.

Apologies: Councillor Caroline Holt
Councillor Bill Armer (ex-Officio)

1 Membership of the Committee

Apologies were received from Councillor Caroline Holt and Councillor Bill Armer (Ex-Officio).

2 Minutes of Previous Meeting

RESOLVED- That the minutes of the meeting held on 7th March 2025 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 Public Question Time

No questions were asked.

7 Council Meetings - 2025/26 Municipal Year

The Committee received a report relating to 2025/26 Municipal Year Meetings of Council. Council procedure Rule 2 (1) advised that the dates of ordinary Council Meetings in each Municipal Year would be determined by the Council following recommendations made by this committee. Council Procedure rule 5 (1) stated that there shall be two types of Ordinary meeting of the Council, one which focuses on Holding the Executive to Account, and the other for Key Discussions. No less than four ordinary meetings must be designated as Holding the Executive to Account. Council Procedure Rule 5 (6) set out the requirement that the Elected Mayor of West Yorkshire Combined Authority shall attend at least one meeting each municipal year.

Following the request from this committee to reduce the gap in ordinary meetings of the Council between February and July 2026, dates had been scheduled, taking into account the start of the pre-election period for the 2026 elections, which will commence on 12 March 2026. Having the budget meeting revert to February allowed an ordinary Council meeting to be held in March in advance of the pre-election period.

RESOLVED- That the schedule of Council Meetings for the 2025/26 Municipal Year be submitted to Council with a recommendation of approval.

8 Housing Tenancy Allocation Audit

The Committee received a report on the Housing Tenancy Allocation Audit. A previous audit of Tenancy Allocations had been carried out in November 2020 and received a 'Substantial Assurance' audit opinion. It was noted that the previous audit focused on the choose 'n' move allocations and did not include the other areas of tenancy allocations that had been expanded on as part of the review.

The audit of Tenancy Allocations was undertaken as part of the Homes and Neighbourhoods Audit Plan and focused on Compliance with Allocations Policy in respect of successions, the efficiency and effectiveness of service performance and key controls, the reasons for any discretionary changes in banding if found during testing and the documented audit trails in place for all lettings.

The audit report made findings in four areas where a "Limited Assurance" opinion was given. It was noted that several areas would be addressed when the new computer system CX was implemented, which was currently planned for Autumn 2025.

During discussion of this item, the Committee were invited to view the new CX system in 2026, once implemented and in use. The Committee also requested that the service provide a report at a future committee meeting on the improvements made due to the Audit.

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RESOLVED- That the Housing Tenancy Allocation Audit Report be noted.

9 **Informing the Audit Risk Assessment for Kirklees Council**

The Committee received a report on Informing the Audit Risk Assessment for Kirklees Council. The Council's External Auditors, Grant Thornton, asked that council officers complete an 'Inquiries of management and those charged with Governance document' which consisted of a schedule of questions from Grant Thornton. Appendix A in the report provided the questions and responses from Kirklees officers. Grant Thornton would consider the responses and use in providing their opinion on the Audited Statement of Accounts and Annual Governance Statement which was to be presented to this committee for approval by 30 November 2025. Grant Thornton requested that the Committee affirm that they believe the assertions to be true (or have no reason to believe that they were untrue).

During discussion, the Committee suggested that for future reports, Planning be included in the Fraud and Corruption section as a high-risk post, along with adding comments around Senior Officers in the related party's section. Grant Thornton advised that there was higher risk around Members as controls regarding officers would be through procurement. The planning risk could be included in the internal audit plan and Grant Thornton would look at this through the Value for Money report.

RESOLVED- That the Audit Risk Assessment document be agreed and formally submitted to Grant Thornton.

10 **Minimum Revenue Provision Explanatory Note**

The Committee received an explanatory note on Minimum Revenue Provision. At the meeting in January 2025 of this Committee, a request was made by members for an explanatory paper on the Minimum Revenue Provision policy be submitted to a future meeting. It was noted that where the Council funds capital expenditure with debt (borrowing), it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision, although there has been no statutory minimum since 2008.

RESOLVED- That the Minimum Revenue Provision Explanatory Report be noted.

11 **Audit progress and sector updates**

The Committee received the Audit progress and sector update report from Grant Thornton which included an Audit progress report, progress as of 2nd April 2025, Audit deliverables, Sector updates and Audit Committee resources.

The Committee noted that the audit cycle for 2024/25 was underway with good dialogue taking place with finance officers. A draft audit plan would be submitted to the first meeting of the municipal year.

RESOLVED – That the Audit Progress and Sector Update report be noted.

12 Internal Audit Charter, Strategy & Plan for 2025/26

The Committee received the Internal Audit Charter, Strategy and Plan for 2025/26. The Internal Audit Charter and Strategy document was in fulfilment of the requirements of the Institute of Internal Auditors Global Internal Audit Standards and the UK Public Sector application note. A risk-based audit plan was necessary to achieve maximum assurance from a limited level of resource.

The Institute of Internal Auditors, an international-USA based organisation had published standards for internal audit. The standards were then adopted into United Kingdom Public Sector Internal Audit Standards and further interpreted by CIPFA for the use by local authorities. In Early 2024, the Institute of Internal Auditors published new Global Internal Audit Standards which were substantially more specific and complex which took effect globally from January 2025 where there were some obligations or expectations about governance, reporting and involvement codified in more detail. There were changes added by the UK Government in some areas, by way of a UK public sector application note, but issues of quality, competence, ethics, and most aspects of governance remained unchanged. The date of applicability for UK public bodies was from 1 April 2025 which were summarised in Appendix 1 of the report. The new standards applied to the governance of the internal audit function – to the Audit Committee specifically, and the internal audit's relationship with management of the organisation. The expectations about what an Audit Committee should do were set out in the detail.

During consideration of this item the committee observed the planning and resourcing of Internal Audit and were concerned around recruitment to the team. It was noted that specialist HR support would be sought to recruit to the roles. The Committee requested that a report be submitted to a future meeting providing an update on progress of recruiting to the Internal Audit Roles.

RESOLVED-

- 1) That the Internal Audit Charter and Audit Strategy, including the areas where the Council's arrangements may be assessed as not fully compliant be approved.
- 2) That the proposed audit plan for 2025/26 be approved.
- 3) That the resourcing position be noted.
- 4) That the Head of Risk and Internal Audit be delegated authority to make changes to the Audit Plan as they consider reasonable, reflecting the needs of the organisation, subject to being reported back to this Committee.

13 Agenda Plan 2024/25

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