

Contact Officer: Nicola Sylvester

KIRKLEES COUNCIL

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Friday 30th January 2026

Present:	Councillor John Taylor (Chair) Councillor Paola Antonia Davies Councillor Angela Sewell Councillor Mohan Sokhal
Co-optees	Nicholas Booth Andrew North
In attendance:	Steve Mawson, Chief Executive James Anderson, Head of Accountancy Ginette Beal, Grant Thornton Greg Charnley, Grant Thornton Martin Dearnley, Head of Risk Rachel Firth, Finance Manager Nick Howe, Policy and Partnership Manager Grant Mills, Grant Thornton Kevin Mulvaney, Service Director Finance (S151 Officer) Rachel Spencer-Henshall, Deputy Chief Executive and Executive Director for Public Health and Corporate Resources Samantha Lawton, Service Director Legal and Commissioning (Monitoring Officer) Leigh Webb, Head of Governance
Apologies:	Councillor James Homewood Councillor Caroline Holt Councillor Harry McCarthy Councillor Kath Pinnock Councillor Graham Turner (ex-Officio)

62 Membership of the Committee

Apologies for absence were received on behalf of Councillor Harry McCarthy, Councillor Caroline Holt, Councillor James Homewood, Councillor Kath Pinnock and Councillor Graham Turner (Ex-Officio).

Councillor Mohan Sokhal substituted for Councillor James Homewood and Councillor Paola Davies substituted for Councillor Kath Pinnock under the provision of Council Procedure Rule 35 (7).

63 Minutes of Previous Meeting

RESOLVED –

That the Minutes of the meeting held on 28th November 2025 be approved as a correct record subject to an amendment to Minute 52 as follows:

(3) That the proposed implementation of the Local Government Ombudsman Complaints Code by Kirklees as in Appendix3 of the report be noted.

64 Declaration of Interests

No interests were declared.

65 Admission of the Public

All agenda items were considered in public session.

66 Deputations/Petitions

No deputations or petitions were received.

67 Public Question Time

No public questions were asked.

68 Auditor's Annual Report 2024-25

The Committee received the Auditor's Annual Report 2024-25.

The report highlighted the work the external auditors had undertaken with Kirklees Council during 2024-25, including commentary on the Value for Money (VFM) arrangements, the responsibilities of the Council (as set out in Appendix A) and the VFM auditor's responsibilities (as set out in Appendix B).

With regards to the VFM assessment, the three key recommendations had been retained from the previous year, acknowledging, however, that progress had been made/was continuing to be made by the Council. There had been positive improvements in the Council's overall financial position.

There was recognition that the report provided a retrospective view, as at 31 March 2025, and the management actions in the report did not impact on the assessment; there had been ongoing and robust engagement between Council officers and the External Auditor. It was anticipated that the positive changes would be reflected in the 2025/26 report.

The progress in respect of recommendations 1 and 3 was acknowledged and it was noted, in respect of the second key recommendation, concerning the DSG deficit, action was being taken by the Council but this was an issue that needed to be addressed at a national level.

The action in relation to Improvement Recommendation 2 (IR2) relating to the oversight of major capital projects was queried in respect of the long timeline for reviewing arrangements. The Committee was assured that significant oversight already existed through Cabinet and Scrutiny processes but there may be a need for better alignment between decisions and updates and perhaps there was a need for more visibility of this for the Auditors.

RESOLVED –

That the Auditor's Annual Report 2024-25 be noted.

69 Audit Findings (ISA260) 2024-25 Report

The Committee received the Audit Findings (ISA260) 2024-25 report, submitted by Grant Thornton, which highlighted that the External Auditors were on track to issue a full, unqualified, 'clean' audit opinion in February 2026 which was positive outcome for the Council.

It was explained that there were no audit adjustments impacting usable reserves, and although some technical adjustments and recommendations were included within the report, including one linked to IFRS 16 lease accounting, there was no impact on useable reserves.

The Committee sought assurance on the resources/capacity for the 2025-26 audit cycle to help achieve earlier deadlines . It was noted that the Council had an experienced finance team and a consistent experienced team on the audit side who would work closely together to achieve the November 2026 completion date. A post-audit review meeting would take place to evaluate the processes and streamline future audits.

During discussions, the Committee asked for an explanation of the level of assurance in respect of IT and cyber security arrangements and were advised that the arrangements were robust and adequately resourced. In respect of the progress in implementing recommendations from previous audits, the auditors advised that although these were not material issues in terms of the opinion, monitoring/oversight of this would be helpful and full implementation would support a smoother and more efficient process for 2025-26.

RESOLVED –

That the Audit Findings (ISA260) 2024-25 Report be noted.

70 Annual Governance Statement

The Committee received the Annual Governance Statement 2024-25, which all local authorities must produce to demonstrate how the Council ensures effective, efficient, and compliant service delivery. This Statement outlined the Council's responsibilities, the governance framework, key components, a review of effectiveness for 2024-25, criteria for identifying significant governance issues, and an assessment of progress on previously identified issues, as well as any new concerns arising during the year.

One new governance issue had been identified in relation to improvements in contract and project management and six previous issues had been carried forward, three of which had been completed. The other three related to housing, addressing SEND financial challenges and data management, which were still rated amber.

RESOLVED –

That the Annual Governance Statement 2024/25 be approved.

71 Approval of the Councils final accounts for 2024-25

The Committee received a report which set out the final accounts and audit processes for 2024-25. The report requested that Members approve the Council's Statement of Accounts for 2024-25 including the final version of the Annual Governance Statement.

The preparation of the Statement of Accounts is a statutory requirement, and Local Authorities were required to have them signed by the Section 151 Officer by 30 June. Despite significant challenges to the Council's finance team, dealing with competing demands, the draft accounts had been completed and signed on 27th June 2025. A six-week public inspection period ran from 27th June 2025 to 8th August 2025 and no queries or objections were raised.

The Chair would be advised of any changes prior to signing the final version.

In response to a question, the position in respect of the surplus and actuarial valuation of the pension scheme was explained noting that position was highly volatile. The fund had been in surplus for several years but had been in deficit prior to that.

RESOLVED –

1. That the Statement of Accounts 2024-25, including the Annual Governance Statement be approved and that the Chair of the Committee certify the Statement of Responsibilities on Page 21 upon completion of the audit.
2. That the draft Letter of Representation (Appendix C to the report) be approved and that the Chair of the Committee sign the final version, on behalf of the Committee, upon completion of the audit.

72 Treasury Management Strategy and Investment Strategy 2026-27

The Committee received the Treasury Management Strategy and Investment Strategy 2026-27, in accordance with the framework of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice 2021 Edition, which the Council was required to approve prior to the start of each financial year.

The report provided information regarding:

- (i) the outlook for interest rates and a recommended investment strategy,
- (ii) the current and estimated future levels of Council borrowing and a recommended borrowing strategy,

(iii) methodologies adopted for providing for the repayment of debt and a recommended policy for calculating the Minimum Revenue Provision (MRP),
(iv) other treasury management matters including the policy on the use of financial derivatives, prudential indicators, the use of consultants, and the policy on charging interest to the Housing Revenue Account,
(v) a recommended annual Investment Strategy (Non-Treasury Investments) for the Council in 2026/27.

During discussion, the Committee was advised that the Council's investment strategy, was governed by the regulations and the CIPFA Prudential Code, which required decisions to be based on security, liquidity and yield, in that order.

RESOLVED –

That it be recommended that the Treasury Management Strategy 2026/27 incorporating:

- The borrowing strategy outlined in paragraphs 2.15 to 2.27 of the report.
- The investment strategy (treasury management investments) outlined in paragraphs 2.28 to 2.36 of the report and Appendices A and B.
- The policy for provision of repayment of debt (Minimum Revenue Provision) outlined in paragraphs 2.37 to 2.38 of the report and at Appendix C.
- The treasury management prudential indicators set out in Appendix D, and
- The investment strategy (non-treasury investments) set out at Appendix F.

be submitted for consideration by Cabinet and for approval by Council.

73 Dates of Council Meetings 2026-2027 (Reference to Council)

The Committee received a report which set out a schedule of Council meeting dates for the 2026-27 municipal year. The dates included two types of ordinary meetings of the Council: 'Holding the Executive to Account' and 'Key Discussions', as required by Council Procedure Rule 5 (1).

RESOLVED –

That the schedule of Council meetings for the 2026-27 municipal year be approved.

74 Kirklees Community Governance Review - Stage 1 consultation summary and stage 2 recommendations

The Committee received the Community Governance Review Report which provided a summary and analysis of the responses received in the first stage of public consultation and set out the proposals that would form the basis for stage 2.

The report detailed that the Community Governance Review (CGR) was a process that allowed upper-tier councils to review and make changes to the governance arrangements of parishes within their area to ensure they continued to reflect the identity and interests of local communities and remained effective and convenient.

Corporate Governance and Audit Committee - 30 January 2026

On 16th July 2025, Council had agreed to the undertaking of a CGR in accordance with the relevant legal framework and Government guidance, and delegated authority to the Corporate Governance and Audit Committee to agree the Terms of Reference and oversee the delivery.

On 26th September 2025, the Committee had resolved to undertake a review of the areas of Kirklees which were currently parished and relevant adjoining land, to enable the Council to consider if any changes were required to existing parish arrangements. The Terms of Reference for this review had been published on 1st October 2025, and the first stage of the public consultation took place between 1st October and 12th December 2025.

The Committee highlighted the low level of public engagement and suggested that additional methods of communication and wider publicity should be used to encourage more engagement in stage two, noting the responsibility of ward councillors to raise awareness and encourage engagement. The Committee also queried the potential cost implications with regards to creating or altering Parish Councils and were advised that costs to the Council were expected to be minimal; more detail would be provided later in the review process. In respect of numbers of councillors; Stage 2 of the consultation would seek views on this.

RESOLVED –

1. That the draft proposals arising from stage one of the consultation on the Community Governance Review be approved.
2. That the arrangements for the second stage of consultation, scheduled to commence on 9th February 2026 be noted.

75

Agenda Plan

RESOLVED- That the Agenda Plan for 2025/26 be noted.