

KENT COUNTY COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 22 July 2021.

PRESENT: Mrs R Binks (Chairman), Mr A Brady, Dr D Horne, Mr M A J Hood, Mr D Jeffrey, Mr R A Marsh, Mr H Rayner, Mr R J Thomas and Mr S Webb

ALSO PRESENT: Mr P J Oakford and Mr Paul Dossett (Grant Thornton)

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mr B Watts (General Counsel), Mr J Idle (Head of Internal Audit), Mrs C Head (Head of Finance Operations), Miss E Feakins (Chief Accountant), Mrs A Mings (Treasury and Investments Manager, and Acting Business Partner for the Kent Pension Fund), Mr J Flannery (Principal Auditor), Ms F Smith (Audit Manager) and Mr A Tait (Democratic Services Officer)

UNRESTRICTED ITEMS

30. Election of Vice-Chair (Item 3)

Mr H Rayner moved, seconded by Mr D Jeffrey that Mr R A Marsh be elected Vice-Chairman of the Committee.

Carried unanimously.

31. Terms of Reference of the Committee (Item 5)

The Committee noted its Terms of Reference and that revisions to them were due to be considered by the County Council at its meeting on 23 July 2021.

32. Minutes (Item 6)

RESOLVED that the Minutes of the meetings held on 23 April 2021 and 27 May 2021 are correctly recorded and that they be signed by the Charman.

33. Declarations of Interest by Members (Item)

Mr S Webb informed the Committee that he drew a pension from the Kent Superannuation Fund. He would therefore not participate in any discussion of the Superannuation Fund. He also informed the Committee in respect of the draft Statement of Accounts (Item 9) that he was a Member of the Kings Hill Golf Club which appeared in the draft accounts.

34. Extension of appointment of the Independent Member of the Governance and Audit Committee

(Item 7)

- (1) Dr D A Horne declared an Other Significant Interest and left the meeting for this item.
- (2) The Corporate Director of Finance introduced the report which recommended the reappointment of Dr D A Horne for a further period of two years. This was agreed.
- (3) RESOLVED that Dr D A Horne be re-appointed as the Independent Member of the Committee for a further period of two years and that the next two-year appointment be included in the Committee Work Programme in 18 months time.

35. Training Programme for Governance and Audit Committee Members

(Item 8)

- (1) The General Counsel provided an outline of the training programme proposed for Members of the Committee.
- (2) Members of the Committee suggested that the potential of providing training in partnership with other Local Authorities should be considered.
- (3) RESOLVED that agreement be given to the training programme proposed in paragraph 2 of the report and that a further report setting out the proposed training programme and delivery programme be submitted to the next meeting of the Committee.

36. Draft Statement of Accounts 2020-21

(Item 9)

- (1) The Chief Accountant introduced the draft Statement of Accounts for 2020/21. These were due to be audited before the October meeting of the Committee, which would consider the finally audited accounts.
- (2) The Committee congratulated the Corporate Director-Finance and her Team for producing the draft accounts in an efficient and timely manner despite the very adverse prevailing conditions caused by the pandemic.
- (3) The Corporate Director of Finance agreed to provide a detailed response to the Committee Members on in respect of the relative high rise in remuneration for Non-Schools as opposed to Schools staff.
- (4) The General Counsel explained that the Committee Members would have advanced sight of the Annual Governance Statement and that this would be the subject of a training session before the next Committee meeting.
- (5) RESOLVED to note
 - (a) the draft Statement of Accounts for 2020-21; and
 - (b) that the final audited accounts will be presented to the October meeting of the Committee, which will also the Letters of Representation for approval.

37. Treasury Management Annual Review 2020/21

(Item 10)

- (1) The Acting Business Partner – Kent Pension Fund gave a summary of Treasury Management activity in 2020-21.
- (2) In response to Members' questions, the Acting Business Partner – Kent Pension Fund said that the County Council and the County Councils Network were lobbying the Government in respect of the effect on the County Council of having responsibility for debts that the Government had originally agreed to finance.
- (3) RESOLVED that approval be given to the report for consideration by the County Council.

38. Internal Audit - External Audit Quality Assessment 2021

(Item 11)

- (1) The Corporate Director of Finance and the Head of Internal Audit introduced the report on the significant outcomes of the independent External Quality Assessment process undertaken between January and April 2021 in compliance with the requirements of the Public Sector Internal Audit Standards. This report contained no requirement to enhance performance. It made recommendations which had all been accepted.
- (2) RESOLVED that the positive outcome of the External Quality Assessment 2021 be noted for assurance.

39. Annual Counter Fraud Report 2020/21 and proposed Counter Fraud Plan 2021/22

(Item 12)

- (1) The Counter Fraud Manager introduced the report which set out Counter Fraud activity undertaken for 2020/21, including reported fraud and irregularities. The report also contained the draft Counter Fraud Action Plan for in 2021/22, covering reactive and proactive activity as well as reviews of the Anti-Fraud and Corruption Strategy; the Anti-Bribery Policy and the Anti Money Laundering Policy.
- (2) It was agreed that the Whistleblowing Policy would be placed on the County Council's website.
- (3) RESOLVED that :-
 - (a) the outturn of the Counter Fraud Activity for 2020/2 be noted for assurance; and
 - (b) approval be given to:-

- (i) the Counter Fraud Plan for 2021/22;
- (ii) the Anti-Fraud and Corruption Strategy;
- (iii) the Anti-Bribery Policy; and
- (iv) the Anti-Money Laundering Policy.

40. Internal Audit Annual Report and Opinion for 2020-21

(Item 13)

(1) The Head of Internal Audit reported the overall outcomes and key themes from Internal Audit work undertaken during 2020-21. This included the translation of these outcomes to the resultant annual opinion on the Council's systems of governance, risk management and internal control that was incorporated into the Annual Governance Statement as well as the related performance of the Internal Audit service in delivering this work.

(2) Resolved that:-

- (a) the report be noted for assurance as a source of independent assurance regarding the risk, control and governance environment across the Council; and
- (b) the outcomes from 2020-21 Internal Audit work be noted together with the resultant Adequate opinion to the Annual Governance Statement.

41. Internal Audit Progress Report

(Item 14)

(1) The Audit Manager introduced the report which gave detailed summaries of completed Audit reports for the period April to June 2021. She informed the Committee that the work on cyber security had now been finalised and would be reported to the Committee in October.

(2) The Audit Manager agreed to provide the Committee Members with an estimate of the income not being collected by KCC as a result of Housing Benefit not being paid over to the housing provider.

(3) RESOLVED that the Internal Audit Progress Report for the period April to June 2021 be noted.

42. Internal Audit Plan 2021/22

(Item 15)

(1) The Audit Manager provided details of the proposed Internal Audit Plan for 2021/22 together with the Internal Audit Charter, which underpinned the plans and practice of the Internal Audit team as well as the key performance indicators to be tracked and monitored during 2021/22.

(2) RESOLVED that:-

- (a) agreement be given to the proposed Internal Audit Plan for 2021/22;
- (b) the Internal Audit Charter be approved; and
- (c) the Key Performance Indicators for 2021/22 be noted for assurance. .

43. External Audit Progress Report
(Item 16)

- (1) Mr Paul Dossett from Grant Thornton UK LLP introduced the report which provided recent updates and information. This report had previously been circulated to the Committee Members and published on the KCC website.
- (2) RESOLVED that the report be noted for assurance.