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 Tuesday, 19 May 2026.

PRESENT: Mr M Brown (Chair), Mr A Cecil, Mr R Palmer, Mr M Munday, Mr G R Samme, Mr H Rayner, Mr M A J Hood, Mr A Kibble, Mr J Finch, Mr A Brady, Mr O Bradshaw and Mr R Mayall

ALSO PRESENT: Mr B Collins

IN ATTENDANCE: Ben Watts (Deputy Chief Executive) Brendan Arnold (Corporate Director of Finance), Sarah Hammond (Interim Corporate Director of Adult Social Care), Simon Jones (Corporate Director of Growth, Environment and Transport), Kevin Kassavan (Director for Children's Countrywide Services), Ben Sherreard (Strategic Manager), Tristan Godfrey (Senior Governance Manager). Katy Reynolds (Governance Advisor), Pascale Blackburn-Clarke (Customer Experience and Relationship Manager), Russell Smith (Interim Head of Internal Audit), Debbie Chisman (Audit Manager), Lee Jones (Audit Manager) Clare Maynard (Chief Procurement Officer) Sarah Ironmonger (Grant Thornton), Lucy Nutley (Grant Thornton)

IN ATTENDANCE VIA TEAMS: Nick Buckland (Head of Pension and Treasury)

UNRESTRICTED ITEMS

376. Apologies and Substitutes
(Item 2)

Apologies were received from Ms Black, Mr Paul and Mr Mallon, with Mr Mayall attending as his substitute.

377. Declarations of Interest in items on the agenda for this meeting
(Item 3)

RESOLVED there were no Member declarations of interest.

378. Minutes of the meeting held on 25 March 2026
(Item 4)

It was drawn to Members' attention that slight amendments was required under item 12 1(f) which should refer to the 'Kent LA Chief Executives' and not the 'Corporate Directors.'

RESOLVED the minutes were agreed to be a complete and accurate record and a paper copy to be signed by the Chair.

379. Verbal Updates on Committee Business
(Item 5)

1. Governance Advisor, Katy Reynolds introduced the item and highlighted the following key points to Members:

    a) The recruitment process for the second Independent Member of the Governance and Audit Committee had progressed. The advert had closed, a strong set of applications was received, and the process was now moving into the shortlisting stage.

    b) Members were previously asked to complete the effectiveness survey. Over 70% of Committee Members responded. The results will inform the effectiveness review report scheduled for the July Committee meeting. Members were thanked for their engagement.

    c) Several Members expressed interest in receiving induction training to enable them to act as substitutes on the Committee. Dates are being identified, and Group leaders will be contacted once options are available.

    d) In relation to the Action Tracker Updates:

    GA041 – Included on the meeting's agenda and would be closed following the meeting.

    GA046 – Relates to project tracking and Oracle Cloud updates. This would partially be addressed in the exempt item, which would outline future reporting arrangements.

    GA050 – Concerns minor amendments to the minutes. Chief Executive Officer Mrs Beer has raised the matter with the Kent LA Chief Executives. This action is now complete and can be closed.

2. In answer to Member comments and questions the following was said:

    a) In relation to GA051 on the Action Tracker (the provision of an annual report and quarterly updates in relation to Governance Arrangements for Wholly Owned Companies) Deputy Chief Executive Ben Watts confirmed that discussions had taken place with opposition group leaders. It was confirmed that the first meeting with the Commercial Services Group will take place before the next meeting, intended for early June. The related paper was delayed to allow feedback from these discussions to be incorporated.

3. RESOLVED the Committee noted the Verbal Update.

380. Update on the Performance of Corporate Complaints
(Item 6)

1. The report was presented by the Customer Experience and Relationship Manager), Pascale Blackburn-Clarke. The following key points were highlighted to Members:

   a) The report covered early returns for the 2025–26 period. It was advised that minor variations might occur when the full annual report was presented in September.

   b) Benchmarking figures from the Local Government and Social Care Ombudsman (LGSCO) were not yet available for the last financial year; therefore, the report used the previous year's data. Updated figures would be included in the full annual report.

   c) Fewer complaints escalating to the Ombudsman might indicate effective local re solution in other authorities, but this could not be assumed without supporting evidence. Historical complaints continued to affect volumes, but early identification and appropriate remedies were helping reduce the number of cases upheld or investigated by the LGSCO.

2. In answer to Member comments and questions, the following was said:

   a) Artificial Intelligence (AI) generated complaints had made the process more complex. Complaints were often significantly longer, sometimes incoherent, and occasionally referenced irrelevant or outdated legislation. This required additional officer time to interpret and identify the core issue.

   b) Regarding the rise in complaint volumes, Pascale confirmed that this was not due to iCasework, which had been in use for many years. Instead, increases were common following elections and had been further amplified by a change in administration and associated media attention. This heightened public awareness of the Council's work, leading to more complaints. Although workloads had risen, some high-pressure areas were beginning to see reduced backlogs and improved average handling times.

   c) It was confirmed that the Council was exploring the use of AI tools. While responses still required officer oversight and subject-matter knowledge, AI could assist with wording and clarity. Further opportunities for AI use were being considered, though this remained at an early stage.

   d) The Director of Countrywide Children's Services, Kevin Kasavan, added that AI tended to tailor outputs to a user's search history and preferences, which could skew complaint narratives. In contrast, the Council must rely on factual information, which limited the usefulness of AI for drafting responses.

   e) It was explained to Members that comparison between Kent and other Authorities was difficult because councils reported differently. Many did not publish corporate complaints data beyond statutory requirements. While several authorities had adopted the 15-day target, it was too early to assess the impact, as the Ombudsman had only implemented the change in April. KCC's average response time was 10 working days, when a response was provided in timescale, but pressures in some services could affect performance.

f) It was confirmed that the next Organisational Learning Panel meeting was scheduled in the coming weeks. While other authorities were not currently involved, Ben Watts agreed it was a fair challenge to explore external learning. Conversations with other councils already took place informally, and he would take forward the suggestion to strengthen this approach.

g) Deputy Leader of the Council, Mr Brian Collins, commented that neighbouring councils' statistics could fluctuate significantly following elections, which should be considered when comparing performance.

h) It was suggested that Hampshire could be used as a potential authority for sharing learning.

i) Ben Watts agreed that both high and low performing councils could offer valuable insights. He emphasised the significant work undertaken by officers to produce the supplemental report and asked that group leaders provide feedback during agenda-setting to ensure the end-of-year report met members' needs.

j) A Member commented that he welcomed the report's emphasis on using complaints to improve services and requested more detail in future reports on how learning was being applied. Ben Watts agreed to reflect this in the next feedback report and reiterated the Committee's thanks to Pascale and her team for their work.

3. a) RESOLVED Members noted the progress made since the Annual Customer Feedback Report.

b) RESOLVED Members noted the ongoing challenges and planned actions set out in the report

381. External Audit Progress Report for Kent County Council (Inclusive of Kent Pension Fund)
(Item 7)

1. The report was introduced by Sarah Ironmonger from Grant Thornton. The following key points were highlighted to Members:

a) It was reported that audit activity was currently limited, as expected, to allow the finance team to prepare the accounts. However, regular meetings with officers were continuing to address any emerging issues.

b) The Committee was advised that, for Kent County Council, audit planning work had been completed and advanced testing on income and expenditure had been undertaken to reduce the level of work required during the final audit fieldwork phase. Work on IT general controls, including the migration from Oracle EBS to Oracle Fusion, was substantially complete, with no issues identified to date.

c) In relation to the Kent Pension Fund, it was reported that planning work and advanced testing had been completed, alongside work on the triennial valuation. No issues had arisen from this work.

d) Members were informed that Value for Money work had commenced, with initial mobilisation discussions having taken place with officers. Further work would begin once work on NHS audits was completed.

e) An update was also provided on grant certifications, noting that the Teachers' Pensions return for 2020/21 had been signed off, with 2021/22 expected to be completed shortly and 2022/23 to follow thereafter.

2) In answer to Member comments and questions, the following was said:

a) A Member requested that responses to suggested audit questions included in the report be provided by officers in writing to all Committee Members.

b) In relation to horizon scanning arrangements, the external auditors confirmed that regular meetings were held with senior officers, during which emerging issues and sector developments were discussed. It was noted that the report referenced sector-wide observations rather than being specific to Kent, but that appropriate engagement with officers was in place.

c) The auditors advised that SEND arrangements formed part of ongoing Value for Money work and it was not yet possible to provide definitive conclusions. The Member requested that this matter be revisited at a future meeting, including consideration of planning timetables and arrangements for addressing historic Safety Valve debt.

d) In relation to Local Government Reorganisation and asset condition, a Member raised concerns regarding the state of the Council's estate and highways infrastructure and the implications for successor authorities. The auditors confirmed that discussions were taking place nationally regarding transition arrangements, disaggregation of services, and ensuring continuity of service delivery. It was noted that maintaining service delivery, including asset maintenance, formed a key part of these considerations.

e) The Committee discussed the Local Outcomes Framework and its implications for performance reporting. The auditors noted that the framework had been introduced recently and that current audit work was focused on existing arrangements. Future audits would consider how the Council aligned with new national metrics as arrangements developed. An officer undertook to provide a written response, including a mapping exercise between existing key performance indicators and new national metrics.

f) Further discussion took place regarding the scale and complexity of Local Government Reorganisation. The auditors advised that they had not yet reached a formal conclusion on the Council's state of readiness. However, it was confirmed that officers were actively engaged in preparation work and were demonstrating awareness of the challenges involved. It was noted that this remained an evolving area and would be considered further through future audit work.

3) RESOLVED Members noted the External Audit Progress Report for Kent County Council and the Kent Pension Fund.

382. Internal Audit External Quality Assessment Outcomes
(Item 8)

1. The report was presented by the Interim Head of Internal Audit, Russell Smith. Key findings were highlighted and the following was said:

   a) It was reported that the Internal Audit Service had achieved a rating of general conformance against the new Global Internal Audit Standards, which represented a positive outcome. In several areas, the service had been assessed as demonstrating best practice, and the external assessor had encouraged that these practices be shared more widely across the profession.

   b) Members were advised that no formal recommendations had been made. However, a number of suggested areas for improvement had been identified and incorporated into an action plan, which was being progressed. It was further noted that actions arising from the assessment were being implemented at pace, including an updated Internal Audit Strategy, which would be presented to a future meeting of the Committee.

   c) The Committee welcomed the outcome of the assessment. During discussion, Members expressed strong support for the Internal Audit Service and commended the positive findings of the report. It was noted that previous concerns regarding changes in leadership of the service had been alleviated by the strength of the assessment outcome.

   d) Members also recognised the consistency and effectiveness of the Internal Audit function over time and acknowledged the value of its work in identifying areas for improvement and supporting organisational accountability.

   e) The Committee congratulated the Internal Audit team on their achievement.

2. RESOLVED the Committee noted the outcomes of the External Quality Assessment of the Internal Audit function and the action plan developed in response to the suggested areas for improvement

383. Internal Audit Progress Report
(Item 9)

1. The report was presented by the Interim Head of Internal Audit, Russell Smith. Mr Smith provided an update on progress against the audit plan. It was noted that delivery had previously been behind schedule; however, momentum had improved and sufficient coverage was expected to enable the provision of an annual audit opinion. The following key points were highlighted for Member attention:

   a) Members were advised that, at the time of reporting, 73% of audit opinions were assessed as substantial or high assurance. It was noted that a number of audits remained in progress and that this position could change. The report highlighted several positive outcomes, including areas demonstrating improvement since previous reviews. In particular, a recent review of elective home education had achieved a high assurance rating, representing an improvement from an earlier adequate assurance opinion.

b) The Committee was informed of the use of advanced data analytics in the review of the Clarity system, marking a new approach for the service and providing ongoing data-driven insights to management.

c) It was further reported that one limited assurance opinion had been issued in relation to the Adult Social Care (Adult Social Care and Health Directorate) savings delivery plan governance. Members were advised that a number of improvements were already in progress, and relevant officers were in attendance to provide further detail. Work on the development of the Internal Audit Plan for the forthcoming year was also noted, with a report to be presented to a future meeting of the Committee.

2) In answer to Member comments and questions, the following was said:

a) During discussion, the Committee examined the limited assurance finding in relation to Adult Social Care savings governance. Clarification was sought regarding the basis for the limited assurance opinion. It was explained that the audit had focused on governance arrangements, identifying both strengths and gaps, with the latter presenting potential risks. It was emphasised that the audit represented a snapshot in time and that improvements had already been observed.

b) Members also raised concerns regarding the deliverability of savings and the potential impact on the current financial year's budget. Officers advised that, where savings had not been achieved in the previous year, these had been addressed through outturn arrangements and, where appropriate, carried forward. It was noted that this approach was consistent with sector practice. Officers further advised that there was increasing confidence in the delivery of savings for the current financial year, supported by revised approaches and strengthened oversight arrangements.

c) The Committee received a detailed update on actions taken within Adult Social Care to address identified weaknesses. This included a fundamental review of financial management practices, enhanced transparency, and a shift towards a system-wide approach to managing resources and demand. It was reported that strengthened governance and regular monitoring arrangements had been implemented, including frequent review of financial and performance data at senior leadership level. Officers acknowledged that this remained a work in progress but expressed confidence in the improvements being made.

d) Members discussed the potential impact of these changes on service delivery. Officers confirmed that the focus remained on providing appropriate care in line with statutory responsibilities, while addressing the cost of provision and improving value for money. It was acknowledged that some changes in approach, including earlier engagement with service users and clearer communication regarding entitlements, could present challenges but were considered necessary.

e) The Committee also raised issues relating to transparency and clarity of budget information and requested further detail to support effective scrutiny. Officers undertook to consider how additional information could be provided through existing governance processes.

f) In relation to environmental matters, a Member raised concerns regarding the Emissions Trading Scheme. Officers clarified that there had been an error in the report, with certain issues incorrectly attributed, and provided clarification regarding the audit findings. It was confirmed that initial work had validated key assumptions and identified opportunities to strengthen controls and transparency.

The Committee noted the overall distribution of audit opinions, which was considered strong, with a majority of reviews receiving substantial or high assurance ratings, despite the specific concerns raised in relation to Adult Social Care.

3. RESOLVED the Committee noted the Internal Audit Progress Report for the period of January to May 2026.

Exempt Item

384. Oracle Cloud Progress Update Presentation
(Item 10)

1. The update was delivered in the form of a PowerPoint presentation by Corporate Director of Growth, Environment and Transport, Simon Jones and Strategic Manager, Ben Sherreard.

2. Previously, Members of the Committee had requested an update on the delivery of Phase 2 of the Oracle Cloud Programme, which was the purpose of this item.

3. The presentation covered: programme rationale, programme lifecycle, technical delivery, differences between phase 1 and phase 2, alternative options, financial position, key risks, commercial position and the next anticipated steps.

4. RESOLVED the Committee noted the Oracle Cloud Update Presentation.