

KENT COUNTY COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee held in the Online on Friday, 23 April 2021.

PRESENT: Mr D L Brazier (Chairman), Mr R A Marsh (Vice-Chairman), Mr R H Bird, Mr N J D Chard, Mrs S V Hohler, Dr D Horne, Mr H Rayner and Mr M E Whybrow

ALSO PRESENT: Mr P J Oakford

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

UNRESTRICTED ITEMS

16. Minutes -12 January 2021 *(Item 4)*

RESOLVED that the Minutes of the meeting held on 12 January 2021 are correctly recorded and that they be signed by the Chairman.

17. The Future Role of the Governance and Audit Committee *(Item 5)*

(1) The General Counsel introduced the report which provided further detail on developing the future role of the Governance and Audit Committee to meet current and future challenges.

(2) The Committee amended the recommendations to include a mid-year review of the Annual Governance Statement for assurance purposes; and “deep dives” of key risks identified by statutory officers and Internal and External Audit. The format of these deep dives was to be determined by the Monitoring Officer in consultation with the Head of Internal Audit and the Chairman of the Committee.

(3) RESOLVED that:-

- (a) the Best Value Report Liverpool City Council be noted;
- (b) the Committee will prepare an Annual Report to the County Council and that the Monitoring Officer be instructed speak to the Chairman in order that this will be added to the Committee’s forward agenda;

- (c) the Committee will undertake a mid-year review of the Annual Governance Statement for assurance purposes; and
- (d) the Committee will undertake deep dives of key risks identified by Internal/External Audit and statutory officers. The format of these deep dives will be determined by the Monitoring Officer in consultation with the Head of Internal Audit and the Chairman of the Governance and Audit Committee.

18. Review of the Terms of Reference for the Governance and Audit Committee

(Item 6)

- (1) The General Counsel introduced the report which proposed changes to the Committee's Terms of Reference. These were set out in Appendix 1 to the report.
- (2) The Committee amended paragraph (l) of the draft Terms of Reference through the deletion of the word "commercial."
- (3) RESOLVED that subject to (2) above, the Monitoring Officer be requested to include the draft changes to the Committee's Terms of Reference set out at Appendix 1 to the report as part of the next update to the Constitution to be recommended to the County Council at the earliest opportunity.

19. Training Programme for Governance and Audit Committee Members

(Item 7)

- (1) The General Counsel introduced the report which provided further detail on the proposed training programme for Members of the Governance and Audit Committee.
- (2) The Committee amended the recommendations by specifying that the training should also be mandatory for substitutes.
- (3) RESOLVED that the report be noted and that the Governance and Audit Committee training programme should be mandatory for Members and substitutes of the Committee.

20. Annual Review of the Council's Code of Governance and Annual Governance Statement - Oral Presentation by Monitoring Officer

(Item 8)

- (1) The Monitoring Officer gave a presentation. The accompanying slides are contained in the electronic papers for this meeting on the County Council's website.
- (2) RESOLVED that the report be noted.

21. Internal Audit Progress Report

(Item 9)

- (1) The Audit Managers presented the report which detailed summaries of completed Audit reports for the period January to March 2021. They informed the Committee that the resource gap within the Internal Audit Team was proposed to be

addressed through the recruitment of two new Senior Internal Auditors. A further update on the Team's restructure would be reported to the Committee at its next meeting.

(2) The General Counsel informed the Committee that a report would be submitted to the Policy and Resources Cabinet Committee on data breaches.

(3) RESOLVED that the report be noted for assurance.

22. Counter Fraud Progress Update

(Item 10)

(1) The Counter Fraud reported on counter fraud activity undertaken for the period April to December 2020, including reported fraud and irregularities. He also reported an update to the Counter Fraud Action Plan for 2020/21 covering reactive and proactive activity.

(2) RESOLVED that the report be noted for assurance.

23. External Audit Progress Report and Sector Update

(Item 11)

(1) Mr Paul Dossett from Grant Thornton UK LLP presented the report.

(2) RESOLVED that the current progress on external audit work be noted for assurance.

24. External Audit Audit Plan for Kent County Council

(Item 12)

(1) Mr Parris Williams from Grant Thornton UK LLP introduced the draft Audit Plan for Kent County Council 2020/21.

(2) During discussion of this item, the Committee agreed that an informal "walk through" of the accounts should be arranged for Members of the Committee,

(3) RESOLVED that approval be given to the External Audit Plan for Kent County Council 2020/21.

25. External Audit Audit Plan for Kent Superannuation Fund

(Item 13)

(1) Mr Paul Dossett from Grant Thornton UK LLP introduced the draft audit plan for the Kent Superannuation Fund.

(2) RESOLVED that approval be given to the External Audit Plan for the Kent Superannuation Fund 2020/21.

26. Treasury Management Quarterly Update 2020/21

(Item 14)

(1) The Treasury and Investments Manager provided a review of Treasury Management activity 2020/21 to end February 2021.

(2) In response to Members' questions, the Treasury and Investments Manager stated that investments in other Local Authorities were always undertaken under advice and after considerable thought.

(3) The Treasury and Investments Manager reported that the external assessor had completed the review of the Pension Fund Investment Governance and that 10 of the 15 recommended actions had now been implemented. A significant training package had also been produced for the Board.

(4) RESOLVED that the report be noted for assurance.

27. Revised Accounting Policies

(Item 15)

(1) The Chief Accountant presented a report requesting an amendment to the Accounting for Schools Policy.

(2) RESOLVED that approval be given to the amendment to the accounting policy set out in the Appendix to the report.

28. Audit Risk Assessment

(Item 16)

(1) The Chairman agreed to accept this as an Urgent item.

(2) The Corporate Director of Finance Director introduced the report which summarised management's responses to questions on the County Council's processes in relation to general enquiries of management, fraud, law and regulations, going concerns, related parties and accounting estimates.

(3) RESOLVED that agreement be given to the management responses provided to Grant Thornton UK LLP.