

KENT COUNTY COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee held in the Council Chamber on Thursday, 21 July 2022.

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

ALSO PRESENT: Mr P J Oakford and Mrs C Bell

IN ATTENDANCE: Mr B Watts (General Counsel), Mr J Idle (Head of Internal Audit), Mr M Scrivener (Corporate Risk Manager), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Mr Paul Dossett, Mr J Flannery (Counter Fraud Manager), Mr M Bridger (Commissioning Standards Programme Manager), Mr N Buckland (Head of Pensions and Treasury), Ms F Smith (Audit Manager), Mr R Smith (Audit Manager) and Mr J Graham (Pension Fund Treasury and Investments Manager) and Ms K Reynolds (Democratic Services Officer)

UNRESTRICTED ITEMS

37. Introduction/Webcasting

(Item 1)

Apologies had been received from Mr S Webb, Mr R Thomas and Mr Hook. Mr Weatherhead was present as substitute for Mr Webb.

38. Minutes - 27 April 2022

(Item 4)

RESOLVED that the minutes of the meeting held on 27 April 2022 were correctly recorded and that they be signed by the Chairman.

39. Corporate Risk Register

(Item 5)

- (1) Mark Scrivener, Corporate Risk Manager & Interim Corporate Assurance Manager, introduced the item. The Governance & Audit Committee receives the Corporate Risk Register every six months for assurance purposes.
- (2) During discussion of this item, Members of the Committee raised the following issues in respect of the various Risks set out in the Register:
 - (a) In respect of Risk CRR0003 (Securing resources to aid economic recovery and enabling infrastructure), early Member involvement was an important risk mitigation measure being carried out in different forms. The Leader said that national policies had a significant impact on the Council's ability to secure and enable infrastructure.

- (b) Mr Whittle said that the controls and guidance relating to CRR0051 (Supporting the workforce transition to hybrid working) would be reviewed given the changing landscape of the COVID-19 pandemic.
 - (c) The high risk rating for CRR0042 (Border fluidity, infrastructure, and regulatory arrangements) would impact Kent tourism and hospitality industries. The effects were seen most immediately in east Kent.
 - (d) There was ongoing engagement with the Department of Education (DfE) regarding CRR0044 (High Needs Funding shortfall) and Mr Betts said that there was a well-established framework created by the DfE for 'safety valve' work in this area.
- (3) The Committee asked for a briefing session on CRR0044 to be arranged for training purposes.
- (4) RESOLVED that the report be noted for assurance.

40. Update on the National Framework for External Audit (Public Sector Audit Appointments)

(Item 6)

- (1) The Interim Corporate Director of Finance, introduced the report which provided Members with an update on the opt into the sector-led option for auditor appointments managed by Public Sector Audit Appointments (PSAA) as the appointing person.
- (2) RESOLVED that the report be noted for assurance.

41. 2021/22 External Audit Plan

(Item 7)

- (1) Mr Paul Dossett from Grant Thornton UK LLP introduced the External Audit Plan for 2021/22. The report provided an overview of the planned scope and timing of the statutory audit of Kent County Council and group for those charged with governance.
- (2) The General Counsel agreed to raise a query with Strategic Commissioning about the percentage of contracts and spend captured in the Contracts Register. He would also query the value of those contracts not captured.
- (3) RESOLVED that the report be noted for assurance.

42. External Audit Progress Report and Sector Update

(Item 8)

- (1) Mr Paul Dossett from Grant Thornton UK LLP introduced the report on current progress on external audit work.
- (2) RESOLVED that the report be noted for assurance.

43. Internal Audit Progress Report

(Item 9)

Mr R Smith, Corporate Director of Adult Social Care and Health, attended virtually for this item.

- (1) The Head of Internal Audit introduced the report which provided detailed summaries of completed Audit reports for the period April to June 2022
- (2) The Internal Audit Manager highlighted that there were two limited audit summaries included in the Internal Audit Progress report: RB18-2022 (Supervision of Social Workers) and DP1-2022 (Provider data Protection Themed Review). She also outlined relevant matters relating to the resourcing of the Internal Audit function including the deployment of the team's resource to the SEND Transport Lessons Learned review.
- (3) An overview of the implementation of agreed actions was provided by an Internal Audit Manager.
- (4) In response to questions and comments from Members it was said that:
 - (a) With regard to DP1-2022, it was confirmed that the review had been undertaken on 23 OP Care Home Providers.
 - (b) In reference to RB12-2022 (Contract Management (ASCH)), a set of operating standards outlining best practice had been embedded into each stage of the commissioning life cycle, including at the contract management phase.
- (5) At the end of the item the Head of Internal Audit provided a verbal update on the SEND Transport Review. He said that substantial progress had been made since the last meeting of the Committee. The review was expected to conclude in August 2022 and it was anticipated that the final report would be taken to the Governance and Audit Committee meeting on 29 September 2022.
- (6) RESOLVED that the report be noted for assurance.

44. Counter Fraud Update

(Item 10)

- (1) The Counter Fraud Manager introduced the report on the Counter Fraud activity undertaken for the period April 2022 to July 2022, including reported fraud and irregularities. This report also contained an update on the Counter Fraud Action Plan for in 2022/23 covering reactive and proactive activity. The Counter Fraud Manager said that the prevented and potential losses in Kent County Council were significant. This was mainly attributed to mandate fraud which was becoming more cyber-enabled.
- (2) It was said that the Fraud Risk on the Corporate Risk Register was under review and was subject to change. The team liaised with national bodies as part of the horizon-scanning process to assess this risk within local authorities. It was also highlighted that the Kent Intelligence Network board were assessing the fraud risks associated with the cost-of-living pressures.
- (3) RESOLVED to note the Counter Fraud Progress report for 2022/23. The Chairman thanked the small team of Officers for their work which, since 2019, has retrieved or saved a considerable amount of money each year for both KCC and the District Councils.

40. Treasury Management Annual Review

(Item 11)

- (1) The Head of Pensions and Treasury introduced the report which provided a summary of Treasury Management activity in 2021-22.
- (2) RESOLVED that the report be endorsed for onward submission to the County Council.

46. CIPFA Review of the Governance & Audit Committee

(Item 12)

- (1) The General Counsel introduced the final report which outlined the findings of the review of the Governance and Audit Committee commissioned from CIPFA. He thanked Ms Elizabeth Humphrey and her team for their work.
- (2) The recommendations of the report were agreed and allocated as outlined in Appendix 1. With regard to recommendation 6, it was agreed to continue to provide balanced internal audit reports. However, agenda time would be focused on material matters, where the Governance and Audit Committee could make a difference. A Microsoft Teams site would be developed for the Committee to receive information in a timelier manner.
- (3) RESOLVED to discuss the report and recommendation of the report commissioned from CIPFA.

47. Annual Governance Statement

(Item 13)

- (1) The General Counsel introduced the report which provided Members with an update on some of the ongoing activity that was being progressed. The report also brought Members up to date on the work on the Annual Governance Statement for 2021/22.
- (2) RESOLVED to:
 - (a) note the update on governance activity; and
 - (b) approve the updated timetable for the Annual Governance Statement

48. Committee Work and Member Development Programme

(Item 14)

- (1) The General Counsel said that an additional meeting would be added to the Autumn meeting cycle. This would be standard practice going forward given the volume of committee work undertaken between July and December each year.
- (2) RESOLVED to note the verbal update.