

## KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

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MINUTES of the Meeting of the Audit and Governance Committee held on Wednesday, 27 September 2023 at 2pm, Kent Fire and Rescue Service Headquarters, The Godlands, Straw Mill Hill, Tovil, Maidstone ME15 6XB.

PRESENT: - Mr A Brady, Mr P Cole, Mr N Collor, Mr D Crow-Brown, Mr M Hood, Mr B Kemp, Mr V Maple, Mr C Simkins and Mrs J Waterman (Independent Member).

APOLOGIES: - Mr A Booth and Mr J McInroy.

OFFICERS:- The Chief Executive, Miss A Millington, OBE, QFSM; the Director, Finance and Corporate Services, Mrs A Hartley; Director Prevention, Protection, Customer Engagement and Safety, Mr J Quinn; Director, Response and Resilience, Mr M Rist; Head of Finance, Treasury and Pensions, Mrs N Walker; Head of Finance, Treasury and Pensions, Barrie Fullbrook, Head of Policy, Dr O Thompson and the Clerk to the Authority, Mrs M Curry.

ALSO IN ATTENDANCE: - Ms F Smith and Ms L Taylor, KCC Internal Audit.

### UNRESTRICTED ITEMS

#### 1. Election of Chair for 2023/24

*(Item A1)*

- (1) Mr Kemp moved, Mr Brady seconded, that Mr Maple be elected Chair of the Committee.
- (2) There being no other nominations, Mr V Maple was declared Chair of the Audit and Governance Committee for 2023/24.

#### 2. Election of Vice-Chair for 2023/24

*(Item A2)*

- (1) Mr Maple moved, Mr Simkins seconded, that Mr Kemp be elected Vice-Chair of the Committee.
- (2) There being no other nominations, Mr B Kemp was elected as Vice-Chair of the Audit and Governance Committee for 2023/24.

#### 3. Chair's Announcements

*(Item A3)*

- (1) The Chair thanked Richard Bason from Link Asset Group for providing Members with training on Treasury Management prior to the meeting.
- (2) The Chair welcomed the new Members who had been appointed to the Committee following the Authority's AGM.
- (3) The Chair welcomed Jenny Waterman to her first Committee as the Independent Member.
- (4) The Chair welcomed Frankie Smith and Louise Taylor from KCC Internal Audit to the meeting.

**4. Membership**

*(Item A5)*

- (1) The list of Members appointed to serve on the Committee for 2023/24 was noted.

**5. Minutes – 20 April 2023**

*(Item A6)*

- (1) RESOLVED that: -

- (a) the minutes of the Audit and Governance Committee meeting held on Thursday 20 April 2023, be approved and signed by the Chair as a correct record.

**6. Provisional Final Outturn for 2022/23**

*(Item B1 – Report by Director, Finance and Corporate Services)*

- (1) The Committee received a detailed report on the provisional final outturn for 2022/23 which is part of a suite of papers for Members to review in order to gain sufficient assurance to formally approve the Statement of Accounts for 2022/23.
- (2) The Committee also received a summary of the key points from the report that were presented and agreed by the Authority at its meeting in June 2023.
- (3) Members were provided with an update on the delay in the External Auditors review and conclusion of the 2021/22 final accounts for this Authority. The delay is due to a national issue in relation to actuarial pension figures.
- (4) Mrs J Waterman asked if the Authority has compared the position of our External Auditor against other organisations and whether these were in a similar situation. The Director for Finance and Corporate Services responded by saying this is an issue across the board, not just for this Authority's External Auditors.
- (5) In response to discussions relating to Pension Fund contributions, Mr Maple asked for a training session to be provided, prior to the next Committee meeting, on the changes in legislation for Pensions which is due to be released in October 2023.
- (6) The Chair thanked the Director of Finance and her team for the well written, clear and concise reports.
- (7) RESOLVED that: -
  - (a) the final provisional revenue budget overspend of £818k against an approved budget of £77.429m, be noted.
  - (b) the final capital outturn of £4.235m against the revised capital budget of £5.359m, be noted.
  - (c) the remaining contents of the report be considered and noted.

**7. Internal Audit Annual Report for 2022/23**

*(Item B2 – Report by Director, Finance and Corporate Services)*

- (1) The Committee considered the Internal Audit Annual Report for 2022/23.
- (2) Ms Frankie Smith, KCC Internal Audit, introduced the Annual Report which contained the Head of Internal Audit's opinion of the overall effectiveness of the Authority's framework of governance, risk management and control systems. The annual opinion is largely informed by the work undertaken as part of the Internal Audit Plan for the 2022/23 financial year. It also considers the result of audits for the previous two financial years and any subsequent follow up work undertaken.
- (3) Mrs J Waterman asked whether the outcomes of the audit were as expected and whether there were any areas that were more challenging. The Head of Internal Audit said that she has personally worked with Kent Fire and Rescue Service for the past three years and it's clear that officers are very aware of where their risks are. It is unusual to see a limited opinion, but the Service is very prompt to respond to ensure that robust procedures are put in place.
- (4) The Chair, on behalf of Members, gave thanks to Internal Audit for the work they undertake on behalf of the Authority.
- (5) RESOLVED that: -
  - (a) the Internal Audit Annual Report for 2022/23, attached as Appendix 1 to the report, be approved.

**8. Annual Governance Statement 2022/23**

*(Item B3 – Report by Director, Finance and Corporate Services)*

- (1) The Committee considered the Authority's Annual Governance Statement for 2022/23, the preparation of which followed completion of the annual internal self-assessment process.
- (2) The Annual Governance Statement provides an analysis of the governance arrangements and systems of internal control along with the assessment of the Authority's effectiveness. The Statement is reviewed by the External Auditors and published alongside the Statement of Accounts each year.
- (3) Mr Hood asked whether Government funded grants are reviewed to support the Authority's pledge to become carbon neutral by 2030. The Director of Finance and Corporate Services assured Members that a periodic review does take place to look at all available grants to identify if any would be relevant to the work of this Authority.
- (4) The Director of Operations added that both the Service's Estates and Fleet teams regularly look at options around reducing the Service's carbon footprint. The Service already has hybrid vehicles in terms of our pool fleet. However heavy appliances are more of an issue, but lower carbon options are being researched. He added that the Service is also working closely with the Environment Agency when it comes to fighting fires and the potential impact that may have on the environment.

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- (5) Mrs J Waterman asked that in light of the Government's announcement on a revised date for reaching Net Zero Carbon, does the Service still plan to work towards 2030. The Director of Operations responded by saying that this would still be the aim and a considerable amount of work is being undertaken to reach that target.
- (6) RESOLVED that: -
  - (a) the Annual Governance Statement for 2022/23, as detailed in Appendix 1 to the report, be approved.

**9. Treasury Management Annual Report for 2022/23**  
*(Item B4 – Report by Director, Finance and Corporate Services)*

- (1) The Committee consider a report on Treasury Management activities during 2022/23.
- (2) Mr Kemp asked whether there was any additional training planned for the new Members of the Committee on Treasury Management. The Director of Finance and Corporate Services said that Richard Bason from Link Asset Group, regularly provides the Committee with briefing sessions on Treasury Management as part of a Members training programme but she is more than happy to arrange any further training sessions for Members if they feel more support is needed.
- (3) RESOLVED that: -
  - (a) the year-end report on Treasury Management activities for 2022/23, be approved.

**10. Annual Statement of Accounts for 2022/23**  
*(Item B5 – Report by Director, Finance and Corporate Services)*

- (1) The Committee considered the draft Statement of Accounts for 2022/23, which are awaiting review by the Authority's External Auditors.
- (2) The Committee was also given a presentation on the Authority's Financial Statements that provided more detail on the Comprehensive Income and Expenditure Statement (CIES), which represents the income and expenditure associated with the 2022/23 financial year; the Movement in Reserves Statement which shows the changes to resources available to the Authority over the year; the balance sheet as well as the Cash Flow Statement showing the cash payments and receipts during the year.
- (3) Mr Maple thanked Mrs Walker for the presentation.
- (4) RESOLVED that: -
  - (a) the draft Statement of Accounts for 2022/23, be approved.
  - (b) the remaining contents of the report be noted.

**11. Chair of Audit and Governance Committee's Report to the Authority**

*(Item B6 – Report by Chair of Audit and Governance/Director, Finance and Corporate Services)*

- (1) Members considered a report which provided a detailed summary of the activities undertaken by the Audit and Governance Committee during the last year.
- (2) The report demonstrates to the Authority the effectiveness of this Committee's work in assessing and maintain the organisation's internal control environment and governance arrangements.
- (3) The Chair gave his thanks to Members, officers and external partners for their continued support and commitment to the work of the Committee.
- (4) RESOLVED that: -
  - (a) the contents of the report, which will be presented to the Authority at its meeting in October 2023, be approved.

**12. Mid-Year Treasury Management and Investment Update for 2023/24**

*(Item C1 – Report by Director, Finance and Corporate Services)*

- (1) THE CIPFA Code of Practice on Treasury Management and the Prudential Code requires the Authority to determine and set the Treasury Management Strategy for the financial year ahead. This was agreed by the Authority at its meeting on 21 February 2023.
- (2) As a requirement of the Strategy, this Committee received a mid-year update on treasury activity undertaken and the extent of the compliance with the agreed prudential indicators.
- (3) RESOLVED that: -
  - (a) the contents of the report be noted.

At the close of the formal business, Members passed on their best wishes for a speedy recovery to Ms A Millington, Chief Executive, following a recent ankle operation.