

KENT AND MEDWAY FIRE AND RESCUE AUTHORITY

MINUTES of the Meeting of the Audit and Governance Committee held on Thursday, 22 September 2022 at Kent Fire and Rescue Service Headquarters.

PRESENT:- Mr A Booth, Mr P Cole, Ms S Hudson, Mr V Maple, Ms L Parfitt-Reid, Mr C Simkins and Mr S Tranter.

APOLOGIES:- Mr N Collor, Mr D Daley, and Mr P Harman

OFFICERS:- The Chief Executive, Miss A Millington QFSM; the Director, Finance and Corporate Services, Ms A Kilpatrick; Director Prevention, Protection, Customer Engagement and Safety, Mr J Quinn; Assistant Director, Operations, Mr M Deadman; Head of Finance, Treasury and Pensions, Mrs N Walker; Head of Finance, Treasury and Pensions, Barrie Fullbrook, Policy Manager, Owain Thompson and the Clerk to the Authority, Mrs M Curry.

ALSO IN ATTENDANCE:- Ms F Smith ,KCC Internal Audit

UNRESTRICTED ITEMS

1. Election of Chair for 2022/23

(Item A1)

- (1) Mr S Tranter moved, Mr C Simkins seconded, that Mr Maple be elected Chair of the Committee.
- (2) There being no other nominations, Mr Maple was declared Chair of the Audit and Governance Committee for 2022/23.

2. Election of Vice-Chair for 2022/23

(Item A2)

- (1) Mr V Maple moved, Mr C Simkins seconded, that Mr Tranter be elected Vice-Chair of the Committee.
- (2) There being no other nominations, Mr S Tranter was elected as Vice-Chair of the Audit and Governance Committee for 2022/23.

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 and requested that the slides from that training be circulated to all Members.
- (2) The Chair welcomed Frankie Smith from KCC Internal Audit to the meeting.
- (3) Members held a minute's silence to pay their respects to Her Majesty Queen Elizabeth II following her death on Thursday 8th September 2022.

4. Membership

(Item A5)

- (1) The list of Members appointed to serve on the Committee for 2022/23 was noted.

5. Minutes – 28 April 2022

(Item A6)

- (1) RESOLVED that: -

- (a) the minutes of the Audit and Governance Committee meeting held on Thursday 28 April 2022, be approved and signed by the Chair as a correct record.

6. Financial Provisional Outturn for 2021/22

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

- (1) The Committee received a detailed report on the final provisional outturn for 2021/22 as part of a suite of papers to gain sufficient assurance to formally approve the Statement of Accounts for 2021/22.
- (2) The Committee also received a summary of the key points from the report that was presented to the Authority at its meeting on 5 July 2022.
- (3) The Chair thanked the Director of Finance and her team for the well written, clear and concise reports.
- (4) RESOLVED that: -
- (a) the final provisional revenue budget underspend of £1.707m against an approved budget of £71.573m for 2021/22, be noted.
- (b) the 2021/22 capital outturn of £1.989m against the revised capital budget of £2.871m, be noted.
- (c) the remaining contents of the report be considered and noted.

7. Internal Audit Annual Report for 2021/22

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

- (1) The Committee considered the Internal Audit Annual Report for 2021/22.
- (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 outcomes of the annual review of internal audit effectiveness required by regulation and an appraisal of Internal Audit's and the Authority's performance against the Key Performance Indicators set as part of the Service Level Agreement.
- (3) In response to a question posed by Mr Cole around Key Performance Indicators (KPIs) and comparable data from previous years which would be of benefit for Members of this

22 September 2022

Committee to have, Ms Smith responded by saying that she would be happy to provide that data within the report going forward.

- (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 2021/22, attached as Appendix 1 to the report, be approved.
 - (b) the progress update of the External Quality Assessment (EQA) of Internal Audit Services be noted.

8. Annual Governance Statement 2021/22

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

- (1) The Committee consider the Authority's Annual Governance Statement for 2021/22, the preparation of which followed completion of the annual internal self-assessment process.
- (2) Mr Booth raised a question regarding the effects of the Pandemic having a significant impact not only on this Authority but other public sectors too and what mitigations are in place now so that services we provide can continue. The Policy Manager responded by providing the Committee with reassurances that the Government guidance is being monitored at all times to ensure that the public and our service employees are protected whilst carrying out any duties.
- (3) RESOLVED that: -
 - (a) the Annual Governance Statement for 2021/22, as detailed in Appendix 1 to the report, be approved.

9. Treasury Management Annual Report for 2021/22

(Item B4 – Report by Director, Finance and Corporate Services)

- (1) The Committee consider a report on Treasury Management activities during 2021/22.
- (2) RESOLVED that: -
 - (a) the year-end report on Treasury Management activities for 2021/22, be approved.

10. Annual Statement of Accounts for 2021/22

(Item B5 – Report by Director, Finance and Corporate Services)

- (1) The Committee considered the draft Statement of Accounts for 2021/22, which are due to be reviewed by the Authority's External Auditors in October.
- (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 2021/22 financial year; the Movement in Reserves Statement which shows the changes to

22 September 2022

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 Booth thanked Mrs Walker for the useful presentation and asked if Members of this Committee could receive a copy.
- (4) In response to a question raised by Mr Booth in relation to a line within the financial statements detailing the projected spend to maintain assets such as buildings, Mrs Walker responded by saying that this information is not captured under a separate heading but can be found across three main areas of the Statement of Accounts such as Response and Resilience; Building and Community Safety and Corporate Expenditure.
- (5) The Chief Executive said, in support of Mr Booth's question above, that the Capital Strategy is presented annually as a matter of course to Members at the Authority's Budget meeting.
- (6) Having served on various appeal hearing panels in relation to pension cases, Mr Maple wanted to put on record his thanks to Members and Officers who facilitate these panels for colleagues as part of the Internal Dispute Resolution Procedures (IDRP).
- (7) In response to a question raised by Mr Tranter around transparency of reserves, the Director of Finance and Corporate Services explained that the Reserve Strategy, alongside the Capital Strategy will be taken to the Authority's next budget meeting in February 2023.
- (8) RESOLVED that: -
 - (a) the draft Statement of Accounts for 2021/22, be approved.
 - (b) the remaining contents of the report be noted.

11. Treasury Management Practices

(Item B6 – Report by Director, Finance and Corporate Services)

- (1) The Committee received a report which presented an overview of the revised documentation that resides under the CIPFA Treasury Management Code and Prudential Code and highlights some changes for Members consideration before being presented to the full Authority meeting in October.
- (2) RESOLVED that:-
 - (a) the Senior Officer Delegations and Committee responsibilities in relation to Treasury Management, as detailed in Appendix 1 to the report, be approved for recommendation to the Authority for adoption.
 - (b) the reporting requirements for Treasury Management, as detailed in Appendix 2 to the report, be approved for recommendation to the Authority for adoption.

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

(Item B7 – 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 in its first year of operation.
- (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 and Officers for their continued support and commitment to the work of the Committee.
- (4) Members expressed their thanks for the exceptional way in which reports are presented by Officers and their teams.
- (5) RESOLVED that: -
 - (a) the contents of the report, which will be presented to the Authority at its meeting in October 2022, be approved.

13. Mid-Year Treasury Management and Investment Update for 2022/23

(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 in February.
- (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.