

## KENT COUNTY COUNCIL

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### 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 Thursday, 25 January 2018.

PRESENT: Mr N J D Chard (Chairman), Mr R A Marsh (Vice-Chairman), Mrs R Binks, Mr R H Bird, Mr G Cooke, Mr D Farrell, Mrs S V Hohler, Mr M J Horwood, Miss C Rankin and Mr M E Whybrow

ALSO PRESENT: Miss S J Carey and Mrs M E Crabtree

IN ATTENDANCE: Mr A Wood (Corporate Director of Finance), Mrs A Mings (Treasury and Investments Manager), Mrs C Head (Head of Financial Management), Hanson (Client Services Officer), Mr R Patterson (Head of Internal Audit), Ms S Buckland (Audit Manager), Mr D Whittle (Director of Strategy, Policy, Relationships and Corporate Assurance), Mr M Scrivener (Corporate Risk Manager), Ms D Trollope (Head of Engagement and Consultation), Mrs R Spore (Director of Infrastructure) and Mr A Tait (Democratic Services Officer)

#### UNRESTRICTED ITEMS

**1. Minutes - 1 November 2017**  
(Item 4)

RESOLVED that the Minutes of the meeting held on 1 November 2017 are correctly recorded and that they be signed by the Chairman.

**2. Committee Work and Member Development Programme**  
(Item 5)

(1) The Head of Internal Audit provided an update on the forward Committee Work and Member Development programme following best practice guidelines in relation to Audit Committees.

(2) The Committee considered whether to request a report on KCC's preparedness to meet the requirements of the General Data Protection Regulation (GDPR). It concluded that as the Policy and Resources Cabinet Committee was due to receive a detailed report on this matter, a decision on whether it would do so should be taken after that report had been published and considered by that Committee.

(3) RESOLVED that approval be given to the forward Committee Work programme and Member Development programme set out in the report.

**3. Corporate Risk Register**  
(Item 6)

(1) The Committee received a six-monthly report on the Corporate Risk Register, including an overview of the changes since it had last been presented and an outline of the ongoing process of monitoring and review.

(2) During discussion of this item, the Director of Strategy, Policy, Relationships and Corporate Assurance agreed to communicate concerns expressed over the absence of possible *Brexit* – related risks in Risk CRR0006 to the Corporate Director of Adult Social Care and Health.

(3) RESOLVED that the assurance provided in relation to the development, maintenance and review of the Corporate Risk Register be noted.

**4. Review of KCC's Risk Management Policy and Strategy**  
(Item 7)

(1) The Director of Strategy, Policy, Relationships and Corporate Assurance presented the revised draft Risk Management Policy and Strategy for approval. He explained that only minor amendments were proposed.

(2) RESOLVED that approval be given to the Risk Management Policy and Strategy for the year 2018.

**5. Treasury Management six month review 2017-18**  
(Item 8)

(1) The Committee considered a report covering Treasury Management activity for the six months to 30 September 2017 and developments up to the date of the report.

(2) RESOLVED that approval be given to the Treasury Management 6 Month Review report for submission to the County Council.

**6. Debt Management**  
(Item 9)

(1) The Committee considered a report on the County Council's debt position.

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

**7. Update on Savings Programme**

*(Item 10)*

(1) The Committee considered a report on progress towards the 2017-18 and 2018-19 budget savings.

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

**8. Customer Feedback - Local Government Ombudsman Decisions 2016/17 in depth**

*(Item 11)*

(1) The Head of Engagement and Consultation presented the report which had been requested at the previous meeting, focussing on the complaints received by the Local Government Ombudsman with a particular emphasis on Special Educational Needs (SEN) cases.

(2) The Chairman informed the Committee that he had a particular interest in this matter as a family member had experienced difficulties in obtaining an EHC Plan. This was neither a Disclosable Pecuniary Interest nor an Other Significant Interest as the matter had now been resolved.

(3) Mr G Cooke informed the Committee that he was the Chairman of the Children's, Young People and Education Cabinet Committee which had considered the question of support for SEN children. He said that his Committee shared the concerns over the number of instances where the Ombudsman had found in favour of the complainants as well as the delays in provision which these complaints highlighted. He was reassured that KCC was on track to meet the deadline of April 2018 for the transfer of all statements to EHCPs. His Committee would continue to monitor the situation.

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

**9. Effectiveness of Internal and External Audit Liaison**

*(Item 12)*

(1) The Committee considered a report on the effectiveness of Internal and External Audit liaison.

(2) RESOLVED that the report be noted for assurance together with the External Audit Protocol appended to the report.

**10. External Audit Update**

*(Item 13)*

(1) The Committee received a report on recent updates and information from the External Auditor, Grant Thornton UK LLP.

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

**11. External Auditor Appointment from 2018/19**

*(Item 14)*

(1) The Committee received a report providing recent updates and information from the External Auditor, Grant Thornton UK LLP.

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

**12. Internal Audit and Counter Fraud Progress Report**

*(Item 15)*

(1) The Head of Internal Audit summarised the outcome of Internal Audit and Counter Fraud activity for the 2017/18 financial year to date. He drew attention to the table in paragraph 15 of the report which showed that only 2% of the 105 agreed actions for implementation had made no substantive progress.

(2) RESOLVED to acknowledge and welcome the work undertaken by Internal Audit; to approve the amendments to the audit and counter fraud plan set out on Appendix B to the report and to note:-

- (a) progress and outcomes against the 2017/18 Audit Plan;
- (b) progress and outcomes in relation to Counter Fraud activity;
- (c) Management's performance in implementing agreed actions from previous audits;
- (d) achievement against the Internal Audit and Counter Fraud Key Performance Indicators; and
- (e) the overall assurance provided in relation to the Council's control and risk environment as a result of the outcome of Internal Audit and Counter Fraud work completed to date.

## **EXEMPT ITEMS**

### **(Open access to Minutes)**

*(Members resolved under Section 100A of the Local Government Act 1972 that the public be excluded for the following business on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act.)*

#### **13. Internal Audit and Counter Fraud Progress Report - Exempt Items**

*(Item 18)*

(1) The Head of Internal Audit summarised the outcomes audits which were exempt items due to their commercial confidentiality or content. These reports were Property Income and Management; Learning the Lessons from LATCOs; emerging findings from the review of a substantial domiciliary care provider.

(2) The Director of Infrastructure tabled an Action Plan which responded to the issues raised in the Property Income and Management audit.

(3) RESOLVED that:-

- (a) the appropriate Cabinet Committee be strongly recommended to examine the issues raised in respect of the Property Income and Management audit; and
- (b) regular update reports on progress in respect of the above audit be submitted to future meetings of the Committee.