

KENT COUNTY COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 2 December 2008.

PRESENT: Mr C G Findlay (Chairman), Mr R L H Long, TD (Vice-Chairman), Mr D L Brazier, Mr A R Chell, Ms A Harrison (Substitute for Mrs M Newell), Mr W A Hayton, Mr J F London, Mr W V Newman, DL, Mr R J Parry, Mr D Smyth, Mr M V Snelling and Mr R Tolputt

ALSO PRESENT: Mr M J Northey

OFFICERS: Ms L McMullan (Director of Finance), Mr N Vickers (Head of Financial Services), Mrs D Mattingly (Corporate Risk & Insurance Manager), Mr I Clark (Group Leader), Ms J Dawson (Head of Audit and Risk), Mr S Davis (Audit & Risk), Mrs C Dodge (Corporate Access To Information Coordinator), Ms J Hill (Performance Manager) and Mr A Tait (Democratic Services Officer)

ALSO IN ATTENDANCE: Mr D Wells and Mr G Brown of the Audit Commission.

UNRESTRICTED ITEMS

33. Minutes - 17 September 2008
(Item 3)

RESOLVED that the Minutes of the meeting held on 17 September 2008 are correctly recorded and that they be signed by the Chairman.

34. Progress report on the position with Icelandic Banks (Oral Update)
(Item 4)

(1) The Head of Financial Services gave an oral update on the position with Icelandic Banks. He said that the County Council's creditor status was favourable under Icelandic Law and that there were grounds for cautious optimism that the monies invested should be recoverable, although in some instances this process might take a few years.

(2) The Head of Financial Services informed the Committee that the County Council's Treasury Strategy had been modified in the light of recent events in that all new money would be invested in the Government Debt Management Office for high security.

(3) The Director of Finance explained that the Government had agreed that the Impairment requirement (whereby the Authority needed to include all potential losses in its budgetary process) had been suspended for a two year period in respect of the losses sustained through investment in Icelandic Banks.

(4) RESOLVED that the report be noted.

35. The effectiveness of the Governance and Audit Committee
(Item 5)

RESOLVED that:-

- (a) the report be noted; and
- (b) Members of the Personnel Committee be invited to attend the next meeting of the Committee to consider the report on "Whistle Blowing."

36. Corporate Governance Performance Indicators
(Item 6)

RESOLVED that: -

- (a) the report be noted; and
- (b) a report on Levels of Sickness be presented to the next meeting of the Committee.

37. Ombudsman Complaints
(Item 7)

RESOLVED that the report be noted.

38. Further steps being undertaken to strengthen the County Council's overall Risk Management
(Item 8)

RESOLVED that:-

- (a) the report be noted; and
- (b) a further report on risk registers be presented to a future meeting of the Committee to enable further consideration of Risk Appetite.

39. Internal Audit Reporting
(Item 9)

RESOLVED that the report be noted.

40. Internal Audit Reporting - Irregularities
(Item 10)

RESOLVED that the report be noted.

EXEMPT ITEMS
(Open Access to Minutes)

Members resolved that under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

41. Presentation on key financial and economic risks
(Item 13)

(1) The Director of Finance gave a presentation on key financial and economic risks facing the County Council.

(2) Members of the Committee suggested further risks which they believed should be identified as key risks. These included third party contractors, the capacity to cope with unknown risks and the effects of the current economic climate on property values and income generation.

(3) RESOLVED that the report be noted.