

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 Wednesday, 30 June 2010.

PRESENT: Mr R L H Long, TD (Chairman), Mr M V Snelling (Vice-Chairman), Mr A R Chell, Mr K A Ferrin, MBE, Mr C Hibberd, Mr D A Hirst, Mr P W A Lake, Mr T Prater, Mr R Tolputt and Mr C T Wells

ALSO PRESENT: Miss S J Carey, Mr R W Gough and Mr J D Simmonds.

OFFICERS: Ms L McMullan (Director of Finance), Mr D Tonks (Head of Audit & Risk), Mr N Vickers (Head of Financial Services), Mr A Wood (Head of Financial Management), Mrs C Head (Chief Accountant), Mr I Clark (Group Leader), Mrs A Beer (Director of Personnel & Development), Mr C Bainbridge (Director of Community Safety & Regulatory Services), Mr J T Tunnicliff (Assistant Head of Procurement) and Mr A Tait (Democratic Services Officer)

ALSO IN ATTENDANCE: Mr D Wells and Mr J Jacobs from the Audit Commission.

UNRESTRICTED ITEMS

20. Minutes (Item 3)

RESOLVED that:-

- (a) the Minutes of the meeting held on 30 April 2010 are correctly recorded and that they be signed by the Chairman: and
- (b) the draft Minutes of the Trading Activities Sub-Group meeting held on 17 May 2010 be noted.

21. Committee Terms of Reference (Item 4)

- (1) Revised Terms of Reference had been considered at the previous meeting of the Committee. This report incorporated the minor amendments that had been put forward at that meeting.
- (2) RESOLVED that the draft revised Terms of Reference be recommended to the County Council together with any consequential changes to the Constitution.

22. Work Programme
(Item 5)

(1) A forward work programme was presented, which aimed to ensure that the responsibilities of the Committee were met, with sufficient time being allocated for Members of the Committee to cover areas they collectively wished to examine in more detail.

(2) During discussion of this item, Members raised the question of whether it was always essential to provide hard copies of all annual reports, external reports and plans. It was suggested that on occasions an executive summary would suffice and that the detailed document could be electronically published with a hard copy placed in the Members' Lounge. The Director of Finance suggested that this would be a matter that the Training Group could discuss and make recommendations upon.

(3) RESOLVED that the forward work programme for 2010 be agreed.

23. Treasury Management Update
(Item 6)

(1) This report presented a quarterly treasury management update, including a summary of developments and a statement of deposits as at 11 June 2010.

(2) The Committee noted that the Treasury Advisory Group consisted of Mr J D Simmonds (Chairman), Mrs S J Carey, Mr L Christie, Mr E E C Hotson, Mr A J King, Mr T Prater and Mr J E Scholes.

(3) RESOLVED that the report be noted.

24. Treasury Management Annual Review 2009/10
(Item 7)

(1) This report presented the Treasury Management Annual Review for recommendation to the County Council.

(2) RESOLVED that the report be agreed and submitted to County Council for approval.

25. Superannuation Fund External Audit
(Item 8)

(1) This report provided a statement of assurance on the management of the Superannuation Fund so that the Committee could agree the Fund accounts.

(2) During discussion of this item, Members suggested that there might be a case for building scrutiny into the Superannuation Fund process. It was also suggested that the Superannuation Fund Committee Minutes could be reported to County Council. The Director of Finance agreed to inform the next meeting of the Committee of the outcome of deliberations on these two questions that were currently taking place.

(3) RESOLVED that the report be noted.

26. Internal Audit Annual Report
(Item 9)

- (1) This report contained the Head of Audit and Risk's Annual Report and gave an opinion of substantial assurance.
- (2) The Committee asked for an update report at its next meeting on the work of Emergency Planning, particularly in respect of Kent County Council's properties.
- (3) RESOLVED that the Internal Audit Annual Report 2009/10 be noted.

27. Audit Commission Annual Governance Report
(Item 10)

- (1) The Audit Commission's Annual Governance Report had previously been circulated to all Members of the Committee.
- (2) Mr D Wells from the Audit Commission introduced the report. He concluded that the accounts presented for audit were of a good quality. One recommendation was made in the report relating to the process to fully capture declarations of related party transactions.
- (3) RESOLVED that :-
 - (a) the financial contained in pages 7 to 13 of the report be approved;
 - (b) the letter of representation on behalf of the County Council be approved (as set out in Appendix 3 to the report) prior to the Audit Commission issuing its opinion and conclusion; and
 - (c) the recommendation to be discussed with Officers set out in Appendix 5 of the report be noted.

28. Draft Statement of Accounts 2009/10 and Annual Governance Statement
(Item 11)

- (1) This report asked the Committee to consider and approve the draft Statement of Accounts and Annual Governance Statement for 2009/10.
- (2) The Committee noted with thanks that the County Council was the only County Authority in the UK to have produced an audited draft statement of accounts by 30 June 2010.
- (3) RESOLVED that:-
 - (a) approval be given to the Statement of Accounts for 2009/10 subject to the Chairman and Liberal Democrat group Spokesman being informed of any changes which may be made to the Accounts following completion of the external audit; and
 - (b) the recommendations made in the Annual Governance Report be noted.

29. Debt Recovery

(Item 12)

(1) The purpose of this report was to provide the Committee with a summary of the Council's debt recovery position. It concentrated mainly on debt that was over 6 months old.

(2) RESOLVED that the report be noted.

30. Kent County Council Audit Fee 2010/11

(Item 13)

(1) This report set out the audit work that the Audit Commission proposed to undertake in 2010/11, including the amount of fee to be charged.

(2) The Committee unanimously agreed not to agree the sum of £98,900 for the "Use of Resources/VFM Conclusion including data quality" audit area.

(3) The Committee agreed by 5 votes to 2 with 1 abstention not to accept the proposed audit fee and asked the Director of Finance to seek to negotiate a greater reduction.

(4) RESOLVED that the proposed audit fee be not accepted and that the Director of Finance seek to negotiate a greater fee reduction with the Audit Commission.

31. Kent Superannuation Fund Audit Plan and Fee 2010/11

(Item 14)

(1) This report set out the audit work that the Audit Commission proposed to undertake in 2010/11 on the Superannuation Fund including the amount of fee to be charged.

(2) RESOLVED that approval be given to the fee proposed.

32. Criminal Records Bureau checks

(Item 15)

(1) This report provided information on the current requirements for undertaking Criminal Records Bureau checks on employees and volunteers working for Kent County Council and its maintained schools.

(2) RESOLVED that the report be noted.

33. CIPFA Statement on the role of the Head of Internal Audit in public service organisations

(Item 16)

(1) In May 2010 the Chartered Institute of Public Finance and Accountancy (CIPFA) began consultation on its "Statement on the Role of the Head of Internal Audit in Public Service Organisations." This report summarised the key points of the Statement, provided an initial view as to compliance, and set out the method for responding to the consultation.

(2) RESOLVED that:-

- (a) the draft CIPFA "Statement on the Role of the Head of Internal Audit in Public Service Organisations" be noted; and
- (b) the approach to responding to consultation be agreed as set out in paragraphs 10 and 11 of the report.

34. Annual RIPA Report on "Surveillance" and other activities carried out by Kent County Council in 2009
(Item 17)

(1) This report outlined the work undertaken in 2009 by KCC officers on surveillance and other activities governed by the Regulation of Investigatory Powers Act 2000 (RIPA).

(2) RESOLVED that the report be noted.

35. Spending the Council's Money
(Item 18)

(1) This report proposed updates to "Spending the Council's Money", a document detailing the Council's procurement policies and procedures.

(2) RESOLVED that the proposed amendments to "Spending the Council's Money" be agreed as set out in Appendix 1 to the report.