

## 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 Friday, 2 October 2015.

PRESENT: Mr R L H Long, TD (Chairman), Mr R J Parry (Vice-Chairman), Mrs A D Allen, MBE (Substitute for Mr J A Davies), Mr M J Angell (Substitute for Mr A J King, MBE), Mr D L Brazier (Substitute for Mr S C Manion), Mr M Baldock, Mrs T Dean, MBE (Substitute for Mr R H Bird), Dr M R Eddy (Substitute for Mr D Smyth), Mr C P D Hoare, Mr E E C Hotson, Mr R A Marsh, Mr B Neaves, Mr J E Scholes, Mr W Scobie and Mr M E Whybrow

ALSO PRESENT: Miss S J Carey, Mr P J Oakford and Mr J D Simmonds, MBE

OFFICERS: Mr A Wood (Corporate Director Finance and Procurement), Mr N Vickers (Head of Financial Services), Mr R Patterson (Head of Internal Audit), Ms S Buckland (Audit Manager), Mr B Watts (Group Leader - Litigation and Social Welfare), Mr P Segurola (Interim Director of Specialist Children's Services), Ms P Blackburn-Clarke (Quality Assurance Manager) and Mr A Tait (Democratic Services Officer)

### UNRESTRICTED ITEMS

#### **43. Minutes - 23 July 2015** (Item 4)

- (1) The Committee noted that Mr M J Vye had briefly chaired the meeting before the arrival of the Chairman.
- (2) RESOLVED that the Minutes of the meeting held on 23 July 2015 are correctly recorded and that they be signed by the Chairman.

#### **44. Dates of meetings in 2016** (Item 5)

- (1) The Committee noted that the date of its next meeting was 27 January 2016 rather than the date which appeared on the agenda. The Democratic Services Officer agreed to write to all Members of the Committee to inform them of the revised date.
- (2) RESOLVED that the following dates be noted for meetings of the Committee in 2016:-  
  
Wednesday, 27 January 2016;  
Wednesday, 27 April 2016;  
Thursday, 21 July 2016; and  
Thursday, 6 October 2016.

**45. Committee Work and Member Development Programme**  
*(Item 6)*

(1) The head of Internal Audit proposed an updated forward Committee Work Programme and Member Development programme following revised best practice guidance in relation to Audit Committees.

(2) RESOLVED that approval be given to the proposed forward Committee and Member Development programme to October 2016.

**46. KCC Insurance Overview**  
*(Item 7)*

(1) The Head of Financial Services gave a summary of insurance activity since April 2015. He agreed to provide examples to those Members who wished of occasions when the payment of a Highways claim had been passed on to the contractor.

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

**47. Treasury Management Update**  
*(Item 8)*

(1) The Head of Financial Services summarised Treasury Management activities for the three months to the end of June 2015. He agreed to provide clarification to those Members who wished it of the apparent discrepancy between the total given for the Money Market Fund in paragraph 2.2 of the report and that given in the table in paragraph 1.1 of Appendix 2.

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

**48. External Audit Annual Audit Letter 2014/15**  
*(Item 9)*

(1) The Corporate Director of Finance and Procurement summarised the most important findings from the external audit work in respect of the 2014/15 audit year. The letter reaffirmed the unqualified opinion on the 2014/15 financial statements, including the Kent Pension Fund, and the unqualified value for money conclusion.

(2) RESOLVED that:-

(a) the Annual Audit letter be received for assurance, fulfilling the requirement for the External Auditors to prepare and issue an Annual Audit letter to the County Council; and

(b) the Committee's thanks and appreciation of the Finance and Procurement staff be recorded for their work in securing an unqualified opinion from the external auditors.

**49. External Audit Update October 2015**  
*(Item 10)*

(1) The Corporate Director of Finance and Procurement summarised Grant Thornton UK LLP's progress on delivering their responsibilities for 2015/16 as well as the emerging issues set out in the report.

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

**50. Internal Audit Progress Report**  
(Item 11)

(1) Mr P Oakford, the Cabinet Member for Specialist Children's Services was present for this item at the invitation of the Committee in order to respond to Members' questions (*Minute 15/41*).

(2) The Head of Internal Audit summarised the outcomes of Internal Audit and Counter Fraud activity for the 2015/16 financial year to date. He drew the Committee's attention to the improvements which had been made in respect of Foster Care, which had resulted in the service being accorded an adequate Assurance Level.

(3) RESOLVED that:-

- (a) progress and outcomes and outcomes against the 2015/16 Audit Plan be noted;
- (b) progress and outcomes in relation to Counter Fraud activity be noted;
- (c) the 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 be noted; and
- (d) approval be given to the proposed revisions to the Anti-Fraud and Corruption Strategy set out in Appendix C of the report.

**51. Internal Audit and Counter Fraud Benchmarking Report**  
(Item 12)

(1) The Head of Internal Audit summarised the 2014/15 Internal Audit and Counter Fraud benchmarking results.

(2) RESOLVED that:-

- (a) the benchmarking outcomes in relation to internal audit and counter fraud be noted; and
- (b) the results from the County Council Audit Networking (CCAN) benchmarking be reported to the next meeting of the Committee.

**52. KCC Annual Customer Feedback Report 2014/15**  
(Item 13)

(1) The Quality and Assurance Manager gave a summary of the compliments, comments and complaints recorded by the Council, including Local Ombudsman Complaints and Members' Complaints. She also referred to recent and future improvements in the administration of customer feedback.

(2) The Committee discussed the implications of the refusal of the Local Government Ombudsman to investigate a complaint from school governors. The Principal Solicitor confirmed that he had developed a proposed set of changes to complaints procedures for governors, changes to decision-making processes and records and to processes around the exercise of statutory powers. He was also committed to writing to the Local Government Ombudsman in order to make her aware of the consequences to the complainant of her decision not to investigate.

(3) Mr J E Scholes moved, seconded by Dr M R Eddy that a letter be sent to the Local Government Ombudsman on behalf of the Committee setting out its concerns arising out of the decision not to investigate complaints in such circumstances.

*Carried 7 votes to 0 with 5 abstentions*

(4) RESOLVED that:-

- (a) the report be noted for assurance; and
- (b) a letter be sent to the Local Government Ombudsman on behalf of the Committee setting out its concerns arising out of the decision not to investigate complaints in such circumstances.