

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 Thursday, 6 October 2016.

PRESENT: Mr R L H Long, TD (Chairman), Mr R J Parry (Vice-Chairman), Mr R H Bird, Mr D L Brazier, Mr P M Harman (Substitute for Mr M E Whybrow), Mr C P D Hoare, Mr M Heale, Mr E E C Hotson, Mr S C Manion, Mr R A Marsh, Mr B Neaves, Mr J E Scholes, Mr W Scobie and Mr D Smyth

ALSO PRESENT: Mr J D Simmonds, MBE

IN ATTENDANCE: Mr A Wood (Corporate Director Finance and Procurement), Mr N Vickers (Head of Financial Services), Mr R Patterson (Head of Internal Audit), Mr B Watts (General Counsel (Interim)), Mrs A Beer (Corporate Director Engagement, Organisation Design & Development), Ms P Blackburn-Clarke (Quality Assurance Manager) and Mr A Tait (Democratic Services Officer)

ALSO PRESENT were Mr N White and Mr P Hughes from Grant Thornton UK LLP

UNRESTRICTED ITEMS

43. Minutes - 21 July 2016
(Item 4)

RESOLVED that the Minutes of the meeting held on 21 July 2016 are correctly recorded and that they be signed by the Chairman.

44. Dates of meetings in early 2017
(Item 5)

The Committee noted the following dates for its meetings in early 2017:-

Wednesday, 25 January 2017;
Tuesday, 11 April 2017.

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 Work and Member Development programme to October 2017.

46. KCC Insurance Overview
(Item 7)

(1) The Head of Financial Services provided a summary of insurance activity for the 2015/16 financial year.

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

47. Treasury Management Update
(Item 8)

(1) The Head of Financial Services gave a summary of Treasury Management activity for the three months to 30 June 2016.

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

48. External Audit Annual Letter 2015/16
(Item 9)

(1) Mr Nick White from Grant Thornton UK LLP presented the report on the most important findings in respect of the external audit work for the 2015/16 audit year. The Annual Letter reaffirmed the unqualified opinion on the 2015/16 financial statements, including the Kent Pension Fund, and the unqualified value for money conclusion. The audit certificate would be issued upon the completion of Grant Thornton's work in relation to an objection to the financial statements.

- (2) RESOLVED that 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.

49. External Audit Update October 2016
(Item 10)

(1) Mr Nick White from Grant Thornton UK LLP summarised progress on external audit work for 2016/17 as well as the emerging issues and developments set out in the report.

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

50. Internal Audit and Counter-Fraud Progress Report
(Item 11)

(1) A revised Appendix C had been circulated to all members of the Committee prior to the meeting.

(2) The Head of Internal Audit summarised the outcomes of Internal Audit and Counter Fraud activity for the 2016/17 financial year to date and sought approval for minor revisions to the Anti-Fraud and Corruption Strategy.

(3) In response to questions from Members of the Committee, the Head of Internal Audit confirmed that there would be a follow up to the Autism internal audit before the next meeting of the Committee with subsequent verbal and formal feedback.

(4) In agreeing the proposed amendments to the Anti-Fraud and Corruption Strategy, the Committee deleted the word "internal" on the two occasions that it appeared in paragraph 19 of the Strategy (Appendix B).

(5) RESOLVED that:-

- (a) progress and outcomes against the 2016/17 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) subject to (4) above, approval be given to the proposed revisions to the County Council's Anti-Fraud and Corruption Strategy.

51. KCC Annual Customer Feedback Report 2015/16
(Item 12)

(1) The Corporate Director for Engagement Organisation Design and Development and the Quality Assurance Manager provided a summary of the compliments, comments and complaints recorded by the County Council. This included statistics relating to customer feedback received and a sample of complaints considered by the Local Government Ombudsman.

(2) Following discussion of the geographical location of the complaints, the Corporate Director was asked to give consideration to the feasibility of establishing the address of each complainant.

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

52. Corporate Law and Assurance Team
(Item 13)

(1) The Chairman informed the Committee that he was a member of the client-side Board set up under the Alternative Business Structure as a non-remunerated Director. This qualified neither as a Disclosable Pecuniary Interest nor as an Other Significant Interest.

(2) The Interim General Counsel provided an update regarding the recent creation of the client-side functions company for Legal Services. This focussed on the in-house team which would advise the Council on corporate and strategic legal issues whilst also commissioning and managing the contract with the company. He confirmed that a

further report would be presented to the Committee in January 2017 in relation to the company.

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