

KENT COUNTY COUNCIL

GOVERNANCE AND AUDIT COMMITTEE TRADING ACTIVITIES SUB - COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee Trading Activities Sub - Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 28 February 2017.

PRESENT: Mr R L H Long, TD (Chairman), Mr R J Parry (Vice-Chairman) and Mr R A Latchford, OBE (Substitute for Mr C P D Hoare)

ALSO PRESENT: Mr R H Bird, Miss S J Carey and Mr D Smyth

IN ATTENDANCE: Mr B Watts (General Counsel), Mr A Wood (Corporate Director of Finance and Procurement), Miss E Feakins (Chief Accountant), Ms B Gibbs (Accountant), Ms S Buckland (Audit Manager), Mr G Wild (Chief Executive (Designate), Invicta Law Ltd) and Mr A Tait (Democratic Services Officer)

UNRESTRICTED ITEMS

1. Minutes - 27 April 2016

(Item 3)

RESOLVED that the Minutes of the meeting held on 27 April 2017 are correctly recorded and that they be signed by the Chairman

2. Statutory Accounts for those companies in which KCC has an interest

(Item 4)

(1) The Chairman informed the Committee that his company had acted for minority shareholders in *Digital Contact Ltd*. This did not constitute a disclosable pecuniary interest.

(2) The Chief Accountant reported on each of the statutory accounts for those entities in which KCC had an interest and in which it had purchased shares.

(3) In response to a query about the County Council's non-statutory financial contributions to *Visit Kent* and *Locate in Kent*, it was agreed that relevant reports to the Cabinet Committee setting out the rationale for these contributions would be sent to the Members of the Sub-Committee.

(4) The Chief Accountant agreed to write to the Members of the Sub-Committee and to Mr Bird in order to clarify the current status of *Goetec Limited*.

(5) The Sub-Committee noted that the majority of the Investment Companies in which the County Council was purchasing shares from the allocation of Regional Growth Fund programmes, were operating at a loss and that in some cases the auditors were questioning whether they could continue as a going concern. It therefore asked the Democratic Services Officer to send the Minutes of the meeting

to the Chairman of the Growth Economic Development and Communities Cabinet Committee in order to draw this to his attention.

- (6) RESOLVED that subject to paragraphs (3-5) above, the latest available Statutory Accounts for those companies in which KCC has an interest be noted for assurance.

3. Consolidated Commercial Services 2015/16

(Item 5)

(1) The Chief Accountant explained that Commercial Services reported the consolidated Commercial Services position for 2015/16. These were split into *Commercial Services Kent Ltd*, which was the “Teckel” company that was able to trade with other local authorities and *Commercial Services Trading Ltd* which could trade more widely.

- (2) RESOLVED that the latest available Statutory Accounts for Commercial Services be noted for assurance.

4. East Kent Opportunities LLP

(Item 6)

RESOLVED that the content of the report be noted for assurance together with the East Kent Opportunities LLP Annual Report and Financial Statements for 2015/16 as set out in the Appendix to the report.

EXEMPT ITEMS

(Open Access to Minutes)

(Members resolved under Section 100A of the Local government Act 1972 that 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.)

5. Invicta Law Ltd

(Item 8)

(1) Mr R L H Long informed the Sub-Committee that he was a non-remunerated member of the Shareholder Board of Invicta Law Ltd which the council used to manage the investment in the company.

(2) The Chief Executive of Invicta Law Ltd briefly introduced the report which set out the progress of the initiative, setting out the policies and procedures that were in place for Invicta Law Ltd. He confirmed that the correct technical advice had been taken.

(3) The Audit Manager informed the Committee that Internal Audit had not been involved in the general arrangements for Invicta Law Ltd except in the development of its Anti-Money Laundering Policy and Guidance.

(4) The Chief Executive informed the Sub-Committee that the Solicitors Regulation Authority Licence would come into force on 1 April 2017 and that the Launch date for Invicta Law Ltd would be 1 June 2017. This would enable all the processes to be tested and become embedded.

(5) The Chief Executive confirmed that Invicta Law Ltd would be holding client money in conformity with Solicitors Account rules.

(6) RESOLVED that the progress of the initiative be noted together with the assurance that adequate policies and procedures are in place for Invicta Law Ltd.