

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, 14 September 2011.

PRESENT: Mr R L H Long, TD (Chairman), Mr M V Snelling (Vice-Chairman), Mr A R Chell, Mr B R Cope, Mr C Hibberd, Mr D A Hirst, Mr R A Marsh, Mr R J Parry, Mr T Prater, Mr R Tolputt and Mr C T Wells

ALSO PRESENT: Miss S J Carey and Mr A J King, MBE

APOLOGIES: Mr K A Ferrin, MBE and Ms A Hohler

OFFICERS: Mr A Wood (Acting Corporate Director of Finance and Procurement), Mr G Wild (Director of Governance and Law), Mr D Tonks (Head of Audit & Risk), Mr P Rock (Counter Fraud Manager), Ms S Buckland (Audit Manager), Mrs A Beer (Corporate Director of Human Resources), Ms J Foster (Director of Business Strategy), Ms A Mings (Treasury & Investments Manager), Mr I Treacher (Assistant Head Of Trading Standards) and Mr A Tait (Democratic Services Officer)

ALSO IN ATTENDANCE: Mr D Wells and Mrs E Robinson of the Audit Commission.

UNRESTRICTED ITEMS

29. Minutes - 30 June 2011

(Item 4)

RESOLVED that the Minutes of the meeting held on 30 June 2011 are correctly recorded and that they be signed by the Chairman.

30. Meeting dates in 2012

(Item 5)

The Committee noted the following meeting dates in 2012:-

Wednesday, 18 April 2012;
Thursday, 26 July 2012;
Tuesday, 25 September 2012 (pm);
Wednesday, 19 December 2012.

31. Committee Work Programme

(Item 6)

(1) The Head of Audit and Risk presented a forward work programme to the Committee for approval.

(2) RESOLVED that the forward work programme for 2011/12 be agreed.

32. The development of Statements of Required Practice

(Item 7)

- (1) The Director of Business Strategy gave an overview of the process for the development of Statements of Required management Practice (SORPs). She explained their purpose and the method by which they were being developed, communicated and embedded into the organisation, as well as a timeline for the development of specific SORPs. She also outlined the governance arrangements for their development and ongoing review.
- (2) The Director of Business Strategy agreed to send a copy of each of the SORPs to the Members of the Committee once they had been finalised.
- (3) The Committee asked for a progress update report at its meeting in April 2012.
- (4) RESOLVED that the process and governance for the development of SORPs be noted for assurance and that a progress update be reported to the Committee in April 2012.

33. KCC's Performance Management Framework

(Item 8)

- (1) The Director of Business Strategy reported on the review of current performance management arrangements and the introduction of the performance management framework (agreed at Cabinet on 20 June 2011) which aimed to ensure effective briefing of Cabinet and into Scrutiny.
- (2) The Committee agreed that paragraph 3.6 should be amended to indicate that managers would continue to be trained in the skills required by the Council.
- (3) RESOLVED that subject to (2) above the report be noted for assurance.

34. Review of the Committee Terms of Reference

(Item 9)

- (1) The Head of Audit and Risk suggested some minor amendments to the Committee's terms of Reference for recommendation to the County Council. These were agreed.
- (2) RESOLVED that:-
 - (a) the amendments to the Committee's description of methodology be agreed as set out in the Annex to the report; and
 - (b) the Committee's Terms of Reference be further reviewed in September 2012.

35. Progress update on "Change to Keep Succeeding"

(Item 10)

(1) The Chairman declared that this item was Urgent on the grounds that the Committee needed to be constantly updated on how the County Council was managing the staffing reduction figures.

(2) The Corporate Director of Human Resources tabled a report giving an update on the "Change to Keep Succeeding" programme of organisational change, covering progress on populating the senior level of the new operating framework, the changes to staffing across the Authority since April 2011 and the development of values and behaviours and other culture change initiatives.

(3) The Corporate Director of Human Resources agreed to provide the total staffing numbers for inclusion in the Minutes. These were (excluding staff on Casual Relief, Sessional or Supply contract):-

Total Non Schools 11,647 (9,658.37 fte)

Total Schools 23,315 (15,793.93 fte)

TOTAL KCC 34,689 (25,452.30 fte).

(4) RESOLVED that the report be noted for assurance and that further reports on this matter be given to the Committee on a quarterly basis.

36. 2010/11 Budget Monitoring

(Item 11)

(1) The first quarterly budget monitoring report to the Budget IMG and Cabinet had previously been circulated to all Members of the Committee as a supplementary appendix.

(2) The Acting Corporate Director of Finance and Procurement asked the Committee to note the quarterly budget report for assurance, explaining that detailed examination would take place at the Budget IMG on 15 September 2011 and at Cabinet on 19 September 2011.

(3) The Chairman noted comments from Members of the Committee that the level of detail contained in the supplementary report might not be necessary for the Committee to carry out its function and said that consideration would be given to these views in advance of publication of the next agenda.

(4) RESOLVED that the forecast outturn for the year 2011/12, based on spend and activity in the first quarter of the year be noted.

37. Ombudsman Complaints

(Item 12)

(1) The Director of Governance and Law reported the Local Government Ombudsman letter and Annual review 2010/11 as well as the latest position on complaints about the County Council escalated to the Ombudsman during the period 1 April to 30 June 2011.

(2) The Director of Governance and Law confirmed that a report on the maladministration case set out in paragraph 5 of the report would be made to the next meeting of the Committee.

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

38. 2010/11 Final Accounts and Annual Governance Report

(Item 13)

(1) The Acting Corporate Director of Finance and Procurement updated the Committee on the final Annual Governance Report from the External Auditors relating to the 2010/11 Statement of Accounts.

(2) Mr Darren Wells from the Audit Commission informed the Committee that, whilst he had made recommendations for improvement, there were no significant areas of concern.

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

39. Treasury Management update

(Item 14)

(1) The Treasury and Investments Manager gave a quarterly summary of Treasury Management activity.

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

40. Annual RIPA Report on "surveillance" and other activities carried out by KCC between January and December 2010

(Item 15)

(1) The Assistant Head of Trading Standards outlined the work undertaken in 2010 by Kent County Council's Officers on surveillance and other activities governed by the Regulation of Investigatory Powers Act 2000 (RIPA).

(2) RESOLVED that the use of the powers under RIPA during 2010 be noted for assurance.

41. Internal Audit progress report

(Item 16)

(1) The Head of Audit and Risk reported the outcomes of Internal Audit activity during June and July 2011.

(2) RESOLVED to note:-

(a) the amendments to and progress against the 2011/12 audit programme; and

(b) the assurance provided in relation to the County Council's control environment as a result of the Internal Audit programme to date.

42. Internal Audit Benchmarking results

(Item 17)

- (1) The Head of Audit and Risk summarised the 2010/11 Internal Audit Benchmarking results. He explained that (as recommended by CIPFA) these related to comparator County Councils. The number of such Councils participating in the exercise had reduced from 21 in 2009/10 to 13 in 2010/11.
- (2) RESOLVED that the outcome of the annual benchmarking exercise be noted for assurance in respect of the economy and efficiency of the Internal Audit section.

43. Progress for anti-fraud and corruption arrangements

(Item 18)

- (1) The Head of Audit and Risk provided a summary of progress against the self-assessment of anti fraud and corruption arrangements.
- (2) RESOLVED that the progress against the identified actions be noted for assurance.

44. Bribery Act 2010

(Item 19)

- (1) The Head of Audit and Risk summarised the County Council's proposed response to the commencement of the Bribery Act 2010.
- (2) RESOLVED that the enactment of the bribery Act 2010 and the County Council's proposed response plan be noted for assurance.

45. The future of the Head of Audit and Risk role

(Item 20)

- (1) The Head of Audit and Risk reported that following the announcement of his resignation, a decision had been taken to strengthen the role he currently fulfilled. This would involve splitting the function by the recruitment of a permanent Head of Audit as well as a Head of Risk (whose responsibilities would be carried out within the Business Strategy Unit).
- (2) The Chairman thanked Mr David Tonks on behalf of the Committee for his invaluable work as Head of Audit and Risk.
- (3) RESOLVED to note the steps being undertaken to replace the Head of Audit and Risk and to strengthen the functions currently carried out by him.