

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, 19 December 2012.

PRESENT: Mr R L H Long, TD (Chairman), Mr A R Chell, Mr B R Cope, Mr K A Ferrin, MBE, Mr R A Marsh, Mr R J Parry, Mr T Prater, Mr J Tansley, Mr R Tolputt and Mr C T Wells

ALSO PRESENT: Mr A J King, MBE, Mr J D Simmonds and Mr D Wells

OFFICERS: Ms N Major (Interim Head of Internal Audit), Ms A Simmonds (Commercial Services Internal Audit Manager), Mr N Vickers (Head of Financial Services), Mr M Rolfe (Trading Standards Manager (East)), Mr R Hallett (Head of Business Intelligence), Mr M Scrivener (Corporate Risk Manager) and Mr A Tait (Democratic Services Officer)

ALSO IN ATTENDANCE: Mr D Wells from Grant Thornton

UNRESTRICTED ITEMS

47. Election of Vice Chairman

(Item 3)

The chairman moved, seconded by Mr B R Cope that Mr J R Parry be elected Vice-Chairman of the Committee.

Carried with no opposition

48. Minutes

(Item 5)

RESOLVED that:-

- (a) the Minutes of the meeting of the Committee held on 25 September 2012 are correctly recorded and that they be signed by the Chairman; and
- (b) the Minutes of the Trading Activities Sub-Group held on 28 September 2012 be noted.

49. Committee Work and Member Development Programme

(Item 6)

- (1) The Interim Head of Internal Audit proposed an updated forward committee work and Member development programme.
- (2) RESOLVED that approval be given to the forward work programme to December 2013 to meet the Committee's Terms of Reference.

50. Corporate Risk Register

(Item 7)

(1) The Head of Business Intelligence reported that the Corporate Risk Register had recently been refreshed. He therefore presented it to the Committee, together with an overview of the key changes and an outline of the ongoing process of monitoring and review.

(2) The Corporate Risk Manager agreed to send all Members of the Committee an update on the benefit of the ICT actions set out in the Summary Risk Profile appended to the report.

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

51. Treasury Management 6 Month Review 2012/13

(Item 8)

(1) The Head of Financial Services presented the Treasury Management 6 Month Review.

(2) Members of the Committee recorded their compliments to the Treasury Management Team.

(3) RESOLVED that the report be endorsed for submission to the County Council.

52. Debt Management

(Item 9)

(1) The Head of Financial Services gave a report on the County Council's debt position. In response to Members' questions, he agreed to provide all Members of the Committee with specific information on PCTs, EduKent and Woodard Academies.

(2) RESOLVED that the report be noted for assurance and that a further report be presented to a future meeting of the Committee highlighting some of the actions that are taking place.

53. RIPA report on surveillance , covert human intelligence source and telephone data requests carried out by KCC between 1 April 2012 and 30 September 2012

(Item 10)

(1) The Trading Standards Manager outlined work undertaken by KCC officers on surveillance, the use of covert human intelligence source and access to telecommunications governed by the Regulation of Investigatory Powers Act (RIPA) during the first half of the 2012/13 business year. He also reported the necessary changes to KCC policy to meet the requirements of the Protection of Freedoms Act 2-012 which had taken effect on 1 November 2012.

(2) The Committee agreed that owing to public concern over local authority actions under RIPA, it would request details on the authorisations granted to be reported at its next meeting.

- (3) RESOLVED that the report be noted for assurance and that a further report be presented to the next meeting giving details on the authorisations granted.

54. Audit Commission Annual Letter

(Item 11)

(1) Mr Darren Wells from Grant Thornton (representing the Audit Commission for this item) provided a summary of the most important findings from the Audit Commission's 2011/12 audit.

(2) RESOLVED to:-

- (a) receive the Annual Audit Letter for assurance;
- (b) note that the requirement of the External Auditors to prepare and issue an Annual Audit letter to the County Council had been met;
- (c) note the proposed actions for publication of the Annual Audit Letter; and
- (d) place on record the Committee's appreciation of the work of the Cabinet portfolio holder; the Corporate Director of Finance and Procurement and all staff in the Finance and Procurement Team for their work in enabling the production of the Annual Audit letter (containing unqualified opinions) earlier than nearly every other local authority.

55. External Audit progress report December 2102

(Item 12)

(1) Mr Darren Wells from Grant Thornton provided recent updates and information on the external auditor's programme of audit planning, grants certification and publications in 2012/13.

(2) The Committee noted that this was the first report it had received from Grant Thornton as the external auditors and welcomed Mr Darren Wells in that capacity.

(3) RESOLVED that the report be noted.

56. External Audit Fee Letter 2012/13

(Item 13)

(1) Mr Darren Wells from Grant Thornton presented the external audit fee for the County Council in 2012/13.

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

57. Internal Audit Progress Report

(Item 14)

(1) The Interim Head of Internal Audit summarised the outcomes of Internal Audit activity since the previous Committee meeting in September 2012.

(2) Committee Members commented on the terminology of the Assurance Levels and agreed to consider this issue at its next meeting.

(3) RESOLVED that:-

- (a) progress against the 2012/13 Audit Plan and proposed additions be noted;
- (b) the assurances provided in relation to the County Council's control environment as a result of the outcome of Internal Audit work completed to date be noted; and
- (c) a report giving consideration to the terminology of the Assurance Levels be presented to a future meeting of the Committee.

58. Kent Commercial Services Internal Audit work programme (June 2012 - March 2013)

(Item 15)

(1) The Commercial Services Internal Audit Manager gave a report detailing the Kent Commercial Services Internal Audit Work Programme for 2012/13.

(2) RESOLVED that the report be noted.

59. Effectiveness of Internal and External Audit Liaison

(Item 16)

(1) The Interim Head of Internal Audit summarised the effectiveness of the liaison arrangements between Internal and External Audit.

(2) Mr Darren Wells from Grant Thornton informed the Committee that he agreed with the report's conclusions.

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

60. Anti-Fraud and Corruption Progress Report

(Item 17)

(1) The Interim Head of Internal Audit gave a summary of progress of anti-fraud and corruption activity as well as the outcome of investigations concluded since the last meeting of the Committee in September 2012.

(2) RESOLVED that the progress of anti-fraud and corruption be noted, together with the assurance provided in relation to the anti-fraud culture and fraud prevention/investigation activity.