

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 Tuesday, 24 September 2013.

PRESENT: Mr R L H Long, TD (Chairman), Mr R J Parry (Vice-Chairman), Mr R H Bird, Mr H Birkby, Mr A H T Bowles (Substitute for Mr J A Davies), Mr P J Homewood, Mr A J King, MBE, Mr R A Marsh, Mr P J Oakford, Mr J E Scholes, Mr W Scobie, Mr T L Shonk, Mr D Smyth and Mr M E Whybrow

ALSO PRESENT: Miss S J Carey

OFFICERS: Mr G Wild (Director of Governance and Law), Ms N Major (Head of Internal Audit), Ms S Buckland (Audit Manager), Mr P Rock (Counter Fraud Manager), Ms P Blackburn-Clarke (Quality Assurance Manager), Mr M Scrivener (Corporate Risk Manager) and Mr A Tait (Democratic Services Officer)

ALSO IN ATTENDANCE: Mr D Wells from Grant Thornton.

UNRESTRICTED ITEMS

39. Membership

(Item 1)

The Committee noted the appointment of Mr P J Homewood in place of Miss S J Carey.

40. Minutes - 24 July 2013

(Item 4)

RESOLVED that the Minutes of the meeting held on 24 July 2013 are correctly recorded and that they be signed by the Chairman.

41. Committee Work and Member Development Programme

(Item 5)

(1) The Head of Internal Audit proposed an updated forward committee work and Member development programme to September 2014.

(2) RESOLVED that approval be given to the proposed forward work programme and Member development programme to September 2014.

42. Update on 2013/14 Budget Savings programme

(Item 6)

(1) The Corporate Director of Finance and Procurement reported the ongoing monitoring of the savings target of £95m for the financial year 2013/14. He drew attention to the forecast underspend of £2m (excluding schools) and to the measures to reduce the expected overspends within Specialist Children's Services. He also

informed the Committee that each meeting of the Cabinet would receive a very detailed report on the Budget Savings Programme.

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

43. KCC Annual Customer Feedback Report 2012/13

(Item 7)

(1) The Quality Assurance Manager reported a summary of the complaints, comments and compliments received by the County Council, including Local Ombudsman Complaints. She also summarised methods of ensuring that the County Council's complaints handling approach became more responsive to customer needs in 2013/14.

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

44. Treasury Management Update

(Item 8)

(1) The Head of Financial Services gave a report summarising Treasury Management activity for the quarter ending June 2013.

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

45. External Audit Update

(Item 9)

(1) Mr Darren Wells from Grant Thornton UK LLP gave a report providing recent updates and information on the External Auditor's work, including progress over 2012/13 and planned audits for 2013/14.

(2) Mr Wells' report included a "Challenge Question" on whether the County Council had considered the National Audit Office's publication "*Confidentiality clauses and special severance payments*" and identified any changes to its Human Resource procedures. The Corporate Director of Finance and Procurement informed the Committee of a response from the Head of Employment Strategy which stated that the County Council had a very clear approval process for Compromise Agreements which had been agreed by Personnel Committee in 2009 and were considered to represent Value for Money.

(3) RESOLVED that the report be noted.

46. Internal Audit Progress Report

(Item 10)

(1) The Head of Internal Audit presented a report summarising the outcome of Internal Audit activity for the financial year 2013/14 to date. She agreed that, in future, any high priority recommendations to further improve controls would be identified in the summary of audits itself.

(2) RESOLVED to note:-

- (a) progress against the 2013/14 Audit Plan and proposed amendments; and
- (b) the assurance provided in relation to the County Council's control environment as a result of the outcome of Internal Audit work completed to date.

47. Internal Audit Benchmarking results

(Item 11)

(1) The Head of Internal Audit summarised the 2012/13 Internal Audit Benchmarking results.

(2) The Committee agreed that Internal Audit should continue to participate in the CIPFA benchmarking club whilst continuing to engage in discussions on making the results more meaningful. It also agreed that the Head of Internal Audit should continue to participate in discussions at the County Council Area Network (CCAN) to see if there would be an opportunity to set up an alternative benchmarking club.

(3) RESOLVED that:-

- (a) the contents of the report be noted; and
- (b) the Head of Internal Audit be recommended to continue to participate in the CIPFA benchmarking club subject to the caveats set out in (2) above.

48. Anti-Fraud and Corruption Progress Report

(Item 12)

(1) The Counter Fraud Manager gave a summary of progress of anti-fraud and corruption activity as well as the outcome of investigations concluded since the Committee's last meeting in July 2013.

(2) RESOLVED that the progress of anti-fraud and corruption activity be noted for assurance.

49. Education Authority responsibility for Academy Budgets

(Item 13)

(1) Pursuant to Committee Procedure Rule 2.22, Mr W Scobie asked the Chairman to consider whether to treat Education Authority responsibility for Academy Budgets as an Urgent item.

(2) The Chairman accepted the matter as an urgent item but observed that any consideration of this matter at this meeting would of necessity be brief as there had been no prior notice of the question and consequently no opportunity for officers to prepare a briefing for the Committee.

(3) The Corporate Director of Finance and Procurement advised that this was indeed an issue of considerable importance. As such, it would be considered by the Education Cabinet Committee and in the Medium Term Plan and would, in all probability, come back to be considered by the Governance and Audit Committee, at the appropriate time, in the context of spending pressures generally.