

By: Richard Long – Chairman of Governance and Audit Committee

Lynda McMullan – Director of Finance

To: Governance and Audit Trading Activities Sub Committee – 1 September 2009

Subject: **TERMS OF REFERENCE**

Classification: Unrestricted

Summary: To formally endorse the Terms of Reference agreed by the Governance and Audit Committee in June 2009.

FOR INFORMATION

1. INTRODUCTION AND BACKGROUND

- 1.1 The Governance and Audit Committee agreed in September 2008 to establish a sub committee to specifically focus upon Kent County Council's trading activities.
- 1.2 This was part of its commitment to fully review this activity in light of the concerns being expressed by the business community.

2. TERMS OF REFERENCE

The recommended terms of reference were as follows:

To ensure that the trading activities of the Council are run properly, transparently and fairly.

Specifically:

1. Monitor the financial performance and reporting of all trading accounts and all limited companies owned in whole or in part or controlled by KCC.
2. Receive the annual business plans and annual financial accounts of any KCC limited companies.
3. Oversee the establishment of new limited companies through examination of the business case before the company commences trading and make recommendations to the appropriate Cabinet Member.
4. Monitor trading and commercial activities being undertaken by the Council to ensure that they have the right structure.
5. Monitor adherence to the appropriate legal, regulatory and accounting frameworks governing local authority trading activities.

Frequency

Twice each year

3. RECOMMENDATIONS

3.1 It is recommended that Members ENDORSE these terms of reference

**Lynda McMullan
Director of Finance
Ext: 7000 4550**