

# 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 Thursday, 3 October 2019.

PRESENT: Mr D L Brazier (Chairman), Mr R A Marsh (Vice-Chairman), Mrs R Binks, Mr R H Bird, Mr N J D Chard, Mr D Farrell, Mrs S V Hohler, Mr H Rayner and Mr M E Whybrow

ALSO PRESENT: Miss S J Carey and Mr P J Oakford

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mr J Idle (Head of Internal Audit), Mr J Flannery (Principal Auditor), Miss E Feakins (Chief Accountant), Mrs A Mings (Treasury and Investments Manager), Mr L Manser (Insurance Manager), Mrs A Beer (Corporate Director of People and Communications), Mr B Watts (General Counsel), Mr M Rolfe (Trading Standards Manager (East)) and Mr A Tait (Democratic Services Officer)

## UNRESTRICTED ITEMS

**41. Minutes - 24 July 2019**  
*(Item 4)*

RESOLVED that the Minutes of the meeting held on 24 July 2019 are correctly recorded and that they be signed by the Chairman.

**42. Committee Work and Member Development Programme**  
*(Item 5)*

(1) The Head of Internal Audit provided an update on the forward Committee Work and Member Development programme following best practice guidance in relation to Audit Committees. He explained that the Reviews of the Terms of Reference and the Code of Corporate Governance would be reported to the Committee in January 2020 following the County Council's review of the Constitution.

(2) RESOLVED that approval be given to the forward Committee Work programme and Member Development programme set out in the report.

**43. Internal Audit Progress Report**  
(Item 6)

- (1) The Head of Internal Audit introduced the report on the status of delivery against the Internal Audit Plan 2019/20, gave summaries of completed audit reviews, an update on the resources position of the service. His report also set out revisions to the Internal Audit Plan 2019/20 and an update on issue Implementation status.
- (2) The Committee agreed that in future, Corporate Directors should be asked to provide a written statement in respect of actions which had not been implemented.
- (3) RESOLVED that:-
  - (a) subject to (2) above, the report for the period 1 April to 9 September 2019 be noted for assurance; and
  - (b) the revisions to the Internal Audit Plan be endorsed.

**44. Counter Fraud Update**  
(Item 7)

- (1) The Counter Fraud Manager provided an update on Counter Fraud activity undertaken for the period April to August 2019, including reported fraud and irregularities. He also described the proactive Counter Fraud work delivered and planned for 2019/20.
- (2) RESOLVED that the report be noted for assurance.

**45. External Audit Annual Letter 2018/19**  
(Item 8)

- (1) Mr Paul Dossett and Ms Tina James from Grant Thornton UK LLP were present for this item in order to introduce the Annual Audit Letter, providing a summary of the most important findings from the external audit work undertaken in the 2018/19 audit year.
- (2) Mr Dossett replied to a question from Mr Whybrow on the objections to the 2016/17 accounts (Minute 19/32). He said that comments on Grant Thornton's provisional views had been received from objectors together with additional documentation. These were now being considered confidentially as part of a *quasi-judicial* process. It was expected that an update would be ready to be reported to the Committee meeting in January 2020.
- (3) RESOLVED that the report be noted for assurance.

**46. External Audit Progress Report and Sector Update**  
*(Item 9)*

(1) Mr Paul Dossett from Grant Thornton UK LLP introduced the report which gave an update on progress in delivering its responsibilities to the County Council as its external auditors. He drew the Committee's attention to the Tony Redmond Review of public audit arrangements which was due to be published in early 2020. This report would examine the effectiveness of local authority financial reporting and audit regimes.

(2) Mr Dossett also reported that a new Code of Audit Practice was due to be published by April 2020. This Code would focus on Value for Money arrangements and propose criteria on financial sustainability, governance, economy, efficiency and effectiveness.

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

**47. Report on use of covert investigative techniques surveillance, covert human intelligence source and telecommunications data requests carried out by KCC between 1 April 2018 and 31 March 2019**  
*(Item 10)*

(1) The Head of Kent Scientific Services introduced a report outlining work undertaken by KCC Officers on surveillance, the use of covert human intelligence sources (CHIS) and access to telecommunications data governed by the Regulation of Investigatory Powers Act 2000 (RIPA) during the 2018/19 business year. He explained that most of this activity had been Trading Standards – related.

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

**48. Updated Scheme of Delegations**  
*(Item 11)*

(1) The Chief Accountant introduced the updated Scheme of Financial Delegation. This had been revised to align with the new staffing structures and responsibilities of Strategic Procurement and Commissioning.

(2) RESOLVED that the updated Scheme of Financial Delegation be recommended for approval by the County Council.

**49. KCC Annual Customer Feedback Report 2018/19**  
*(Item 12)*

(1) The Corporate Director – People and Communications provided a summary of the complaints, comments and complaints received by the Council during 2018/19. This included statistics relating to customer feedback received by the Council and a sample of complaints considered by the Local Government Ombudsman.

(2) The Committee asked for future reports to include greater detail on customer feedback.

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

**50. KCC Insurance Overview**  
*(Item 13)*

(1) The Insurance Manager provided a summary of insurance activity for the 2018/19 financial year.

(2) In response to a question from the Chairman, the Insurance manager agreed to consider whether, how and at what stage Local Members for constituents facing flooding insurance claims could be involved in the process.

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

**51. Treasury Management Update**  
*(Item 14)*

(1) The Treasury and Investments Manager gave a summary of Treasury Management activity in the current financial year up to the end of July 2019.

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

## **EXEMPT ITEMS**

*(Open access to Minutes)*

*(Members resolved under Section 100A of the Local Government Act 1972 that the public be excluded 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.)*

### **52. Exempt Minutes - 24 July 2019**

*(Item 17)*

RESOLVED that the Exempt Minutes of the meeting held on 24 July 2019 are correctly recorded and that they be signed by the Chairman.

### **SUMMARY OF EXEMPT MINUTE 53**

*(Where access to that Minute remains restricted)*

### **53. Kent Superannuation Fund - Oral report**

*(Item 18)*

1 The Head of Internal Audit and the General Counsel reported the latest position in respect of scrutiny and oversight of the Superannuation Fund's investment activity.

2 The Committee agreed to note the report and to receive a further update at its next meeting.