

Cabinet Sub Committee
(Kyndi Ltd Shareholder Board)

15 June 2026

Report by the Assistant Director, Legal and Governance

Report from/author: Bhupinder Gill, Assistant Director Legal and Governance

Summary

This report summaries the recent exercise of delegated powers by the Assistant Director, Legal and Governance, following a request by the Chief Executive Officer (CEO) of Kyndi.

1. Recommendation

1.1. The Sub Committee is requested to note the contents of the report.

2. Suggested reasons for decision

2.1. To make sure that the Sub Committee are updated in respect of the exercise of the delegation and relevant decisions.

3. Budget and policy framework

3.1. The decision is within the Council's policy and budget framework. The receipt of regular reports to shareholder board allows the Sub Committee Members to hold officers to account in respect of the company's performance, aids and enhances transparency and accountability of the Council's LATCO.

4. Background

4.1. In December 2023 the Cabinet approved the establishment of three shareholder boards (Cabinet Sub Committees) one for each of its LATCos. At its inaugural meeting this Sub Committee approved revised Articles of Association and a Memorandum of Understanding (MOU).

4.2. The MOU provides a detailed decision making matrix setting out who (Cabinet, the Sub Committee or Board of Directors) can determine which type of decision to ensure good governance so that the shareholder board could exercise appropriate oversight and corporate governance over the activities of the company.

- 4.3. The Cabinet delegated authority to the Assistant Director, Legal and Governance, in consultation with the Chairperson to take decisions that are required as a matter of urgency (decision No.115/2023).
- 4.4. On 30 March 2026 the CEO of Kyndi briefed the Chairperson of this Sub Committee on the outcome of a procurement exercise undertaken by the company to identify external auditors. To avoid delays with their appointment, the next day the Assistant Director, Legal and Governance was informed that the Chairperson had agreed to their appointment and was invited to exercise his delegated power, referred to above.
- 4.5. On 14 April 2026, the Assistant Director, Legal and Governance exercised his delegation and approved the appointment of LFF as auditors for Kyndi Ltd.

5. Advice and analysis

- 5.1. The company undertook a competitive procurement exercise to identify external auditors who could support the company both on site and remotely.
- 5.2. Four companies in addition to the current provider were invited to tender for the commission. Following an initial paper evaluation exercise, two companies were invited to present their proposals to the company.

6. Risk management

- 6.1. Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Insufficient oversight of LATCO activity and performance	The company's objectives and performance do not align with the Council's aspirations.	Shareholder boards have been established to receive regular reports for the LATCO and provide steer to the company Chief executive and Chair of the board of Directors on their expectations.	C4
Council exposure to unknown risks	The company's activities expose the Council financial and or risk.	Regular reporting to the shareholder board on activity and risks.	C3

Council exposure to unknown risks	The company's activities expose the Council financial and or risk.	A scheme of delegation ensures more significant decisions are taken at more senior levels within the company/ Council.	C4
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For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely	1 Catastrophic
B Likely	2 Major
C Unlikely	3 Moderate
D Rare	2 Minor

7. Consultation

7.1. Internal consultees have completed the relevant sections of this report.

8. Climate change implications

8.1. [The Council declared a climate change emergency in April 2019](#) - item 1038D refers, and has set a target for Medway to become carbon neutral by 2050.

8.2. There are no direct implications arising from this report, any that do arise are contained within the individual reports from the LATCO.

9. Financial implications

9.1. There are no direct financial implications arising from this report. Any costs incurred will be borne by the company and will be reflected in its trading accounts.

10. Legal implications

10.1. The shareholders own the business, however the day-to-day management of the business is the responsibility of the Chief Executive and the Board of Directors. The shareholders' responsibility derives from the Articles of Association (which set out the company's purpose and governance framework) and the Memorandum of Understanding sets out the operational decision-making framework.

10.2. As a shareholder, the Sub Committee is entitled to receive regular reports from the Board of Directors on the company's activities, its performance, outlook over the next quarter and beyond. The shareholders need to be confident that the company's Chief Executive and the Board Directors can

deliver on the approved business plan and to be informed if there are any material changes to the business plan or divergences from expected returns.

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Appendices

None

Background papers

None