AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 22 February 2012.

PRESENT:

p Councillor K. Evans (Chairman)

p J. Bryant	p M. Geddes
p V. Clarke	p A. Gibson
p B. Dash	a E. Neal
a J. Frankum	a C. Thomas

114 **APOLOGIES**

Apologies for absence were received from Councillors J. Frankum, E. Neal and C. Thomas.

115 **DECLARATIONS OF INTEREST**

All Members who believed they had a personal or prejudicial interest in any matter to be considered at the meeting were asked to declare that interest and, having regard to the circumstances described in paragraphs 9, 10, 11 and 12 of the County Council's Code of Conduct, consider whether to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with paragraph 12 of the Code. The declaration should be made at the time of the relevant debate.

No declarations of interest were made at the meeting.

116 **MINUTES**

The Minutes of the meeting held on 29 September 2011 were agreed and signed by the Chairman as a correct record.

117 **CHAIRMAN'S COMMUNICATIONS**

No announcements were made.

118 **TREASURY MANAGEMENT**

The Committee considered the report of the County Treasurer (Item 5 in the Minute Book) regarding treasury management. The report was introduced by the Deputy County Treasurer with additional reference to presentation slides and a list of the Council's loans and investments, handed out at the meeting.

The importance and complexity of strong treasury management was explained and the different considerations to take into account when setting an investment or borrowing strategy as well as the relationship and balance between the two was detailed. Members asked questions regarding opportunities to pay borrowing off early and about the credit ratings given to financial institutions and the Deputy Treasurer confirmed the County Council's policies in these areas.

Hampshire County Council's performance compared with other similar sized local authorities was examined and the Committee noted that differences were not significant. The Deputy Treasurer pointed out that such comparisons were difficult to quantify without detailed knowledge of another organisation's specific circumstances.

The possibility of lending to other public sector bodies was discussed and it was noted that this was sometimes an option for longer term investments. Reference was made to the range of timescales for both lending and borrowing. The Deputy Treasurer felt that it was important to see lending and borrowing as separate from each other and driven by different needs. He also confirmed that low brokerage fees meant that very short term lending was a realistic option.

RESOLVED:
That the Audit Committee endorses the County Council's Treasury Management Strategy Statement and Investment Strategy 2012/13 to 2014/15 and its Treasury Management Policy Statement.

119 **GOVERNMENT RESPONSE TO FUTURE OF LOCAL AUDIT CONSULTATION**

The Committee considered the report of the County Treasurer (Item 6 in the Minute Book) regarding the recent consultation exercise by the Government. The Chief Internal Auditor outlined the process and confirmed that the County Council had responded to the original consultation.

The Government's response and implementation proposals for a number of key areas were discussed. In particular proposals relating to the appointment of an auditor, the role of an appointment panel and the scope of the work to be covered by an Audit Committee were considered.

RESOLVED:
That the Audit Committee note the Government's response to the future of local public audit consultation.

120 **PENSION FUND PANEL – MINUTES OF MEETINGS (FOR INFORMATION)**

Councillors Bryant, Dash and Gibson declared a non prejudicial interest as members of the Pension Fund Panel.

The Committee received the Minutes of the Pension Fund Panel meetings held on: 10 June 2011, 17 June 2011, 14 September 2011, 4 November 2011 and the 18 November 2011 (Item 7 in the Minute Book). A discussion was held on the impact of reduced staff numbers on the pension fund. Members agreed that it was important that following any changes to the fund it was still accessible to lower paid staff.

121 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED:

That, in relation to the following item, the public be excluded from the meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public are present during the item there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that, in all the circumstances the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the report.

122 **PENSION FUND PANEL – EXEMPT MINUTES OF MEETINGS (FOR INFORMATION)**

The Committee received the exempt Minutes of the Pension Fund Panel meetings listed in Minute 120.