

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 28 June 2012.

PRESENT:

p Councillor K. Evans (Chairman)

p J. Bryant
a V. Clarke
p B. Dash
p J. Frankum

p M. Geddes
p A. Gibson
p E. Neal
p C. Thomas

131 APOLOGIES

Apologies for absence were received from Councillor V. Clarke.

132 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 8, 9, 10 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.

133 MINUTES

The Minutes of the meeting held on 22 March 2012 were considered by the Committee.

With regard to Minute 127, it was noted that Ernst and Young had been put forward for the South East contract, but that a decision had not been announced.

With regard to Minute 130, the Vice-Chairman gave the Committee a brief verbal update on the work of the sub-committee and notes from the sub-committee's meeting were circulated. It was noted that an action plan was being prepared for presentation to the Committee at the next meeting.

Subject to the above amendment, the Minutes were agreed and signed by the Chairman as a correct record.

134 CHAIRMAN'S COMMUNICATIONS

No announcements were made.

135 CHIEF INTERNAL AUDITOR'S ANNUAL REPORT AND OPINION 2011-2012

The Committee considered the report of the County Treasurer (Item 5 in the Minute Book) regarding the Annual Report and Opinion 2011-12.

Key areas of the report were highlighted and Members agreed that there was a sound system of control in the County Council. It was noted that a period of transition had impacted on the expected performance but that performance was nonetheless at a high level.

Members questioned the incidence of fraud identified in the report and the Chief Internal Auditor confirmed that this generally related to cases of improper practice. It was confirmed that there was an obligation to report every instance of fraud and it was agreed that the rate was low for such a large organisation, which reflected a culture of good practice.

Members were reassured that an "adequate" performance rating did not have negative connotations and was recognition of the high standards at Hampshire, however due to the nature of risk an absolute assurance could not be issued.

RESOLVED:

That the report be noted.

136 ANNUAL GOVERNANCE STATEMENT

The Committee considered the report of the Chief Executive and the County Treasurer (Item 6 in the Minute Book) regarding the Annual Governance Statement.

It was confirmed that the Statement followed the CIPFA model and was a review of the 2011/12 year. Proposed amendments to paragraphs 3.1, 3.4 and 4.4 to include details of safeguarding activity were circulated and considered by Members. A section of the amendment relating to the safeguarding of Adults was not felt to be suitable for inclusion in the Statement and therefore the amendments were accepted with that exception.

Members discussed the Statement and a number of points were clarified, in particular with relation to resource capacity, Member induction and the provision of audit services. Some minor corrections were agreed for accuracy.

RESOLVED:

That the Audit Committee approves the draft Annual Governance Statement for signature by the Leader of the County Council and the Chief Executive, subject to the amendments detailed.

137 MINUTES OF PENSION FUND PANEL MEETINGS (FOR INFORMATION)

The Committee received and noted the Minutes of the Pension Fund Panel meetings held on: 16 December 2011 and the 18 May 2012 (Item 7 in the Minute Book).

138 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.

139 EXEMPT MINUTES OF PENSION FUND PANEL MEETINGS (FOR INFORMATION)

The Committee received and noted the exempt Minutes of the Pension Fund Panel meetings held on: 16 December 2011 and the 18 May 2012 (Item 9 in the Minute Book).