

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 13 February 2014.

PRESENT:

p Councillor Keith Evans (Chairman)

p John Bennison  
p Vaughan Clarke  
p Adrian Collett  
p Andrew Gibson

p Roger Huxstep  
a Tony Hooke  
p Mark Kemp-Gee  
p George Ringrow

Kate Handy and Hassan Rohimun from Ernst & Young also attended this meeting.

**36. APOLOGIES**

No apologies of absence were received for this meeting.

**37. DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

No declarations were made at the meeting.

**38. MINUTES**

The Minutes of the meeting held on 5 December 2013 were agreed as a correct record and signed by the Chairman.

**39. CHAIRMAN'S ANNOUNCEMENTS**

No announcements were made on this occasion

**40. INFORMATION COMPLIANCE – USE OF REGULATED INVESTIGATORY POWERS**

The Committee considered a report of the Directors of Culture, Communities and Business Services and Policy and Governance – Corporate Services (Item 5 in the Minute Book) detailing how the County Council had used its investigatory powers in the last three months, as required by the Code of Practice issued by the Home Office.

The Director advised Members on the limited number of times the County Council had used these powers and answered a number of questions on these incidents. It was noted that a further report detailing the annual use of surveillance powers would be presented to the Committee at its meeting in September.

**RESOLVED:**

That the report be noted.

**41. TREASURY MANAGEMENT STRATEGY AND INVESTMENT STRATEGY 2014/15 AND 2016/17**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 6 in the Minute Book) in respect of the Treasury Management Strategy and Investment Strategy 2014/15 and 2016/17.

The Director answered a number of detailed questions and explained the long-term credit ratings used by the County Council.

**RESOLVED:**

The Committee noted the following recommendations being reported to Cabinet and Full Council:

- Treasury Management Strategy and Annual Investment Strategy for 2014/15, (and for the rest of 2013/14) including:
- Prudential Indicators for 2014/15, 2015/16 and 2016/17 – Appendix D
- Minimum Revenue Provision (MRP) Statement – Appendix E
- That authority is delegated to the Director of Corporate Resources to manage the Council's investments according to the risk assessment process in the Investment Strategy and to amend the list of approved counterparties, cash limit and duration limit (up to the maximum cash limit and duration outlined in this Strategy) as appropriate to most effectively manage the Council's investments

**42. INTERNAL AUDIT – PROGRESS REPORT DECEMBER 2013**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 7 in the Minute Book) giving an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and the status of "live" reports.

The Committee were made aware that the three pending actions relating to recruitment (page 3 of Appendix 1) were now cleared.

**RESOLVED:**

That the internal audit progress report for the period up to December 2013 be noted.

**43. THE CORPORATE GOVERNANCE FRAMEWORK**

The Committee considered a report of the Director of Policy and Governance – Corporate Services (Item 8 in the Minute Book) seeking approval to the revised Code of Corporate Governance for the County Council.

Members noted the revised layout for the code, which also emphasised the County Council's commitment to good governance. The Director advised that a review of supporting policies and procedures had confirmed that the County Council had comprehensive arrangements in place to support the Code.

During discussion, it was decided that review dates should be agreed by the Deputy Head of Governance with the 'owners' of the documents within the Corporate Governance Framework to ensure that the Framework remains up to date.

**RESOLVED:**

- i. That the updated Code of Corporate Governance for Hampshire County Council be approved.

**44. CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2012/13**

The Committee received and noted the annual audit letter from the County Council's auditors, Ernst and Young (Item 9 in the Minute Book) regarding its Certification of Claims and returns Annual Report for 2012/13.

**45. MINUTES OF THE PENSION FUND PANEL MEETINGS – LESS EXEMPT MINUTES (FOR INFORMATION)**

The Committee received and noted the minutes of the Pension Fund Panel meetings held on 27 September and 8 November 2013 (Items 10a and 10b respectively in the Minute Book) (Less exempt Minutes)

**46. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:**

That, in relation to the following items, 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 these items 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 exempt minutes.

**47. EXEMPT MINUTES OF THE PENSION FUND PANEL MEETINGS – (FOR INFORMATION)**

The Committee received and noted the exempt minutes in relation to Minute 45 above.