

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 25 June 2015.

**PRESENT:**

p Councillor Keith Evans (Chairman)

a Vaughan Clarke  
p Adrian Collett  
p Andrew Gibson  
p Roger Huxstep

p Tony Hooke  
a Mark Kemp-Gee  
p Andy Moore  
a George Ringrow

Councillor Peter Latham attended the meeting as the Conservative substitute member.

Hassan Rohimun and Steve Clarke (who was covering for Kate Handy who would be taking a temporary leave of absence from October for 6 months) from the County Council's auditors, Ernst & Young, also attended this meeting.

**91. BROADCASTING ANNOUNCEMENT**

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes. This would not apply to the confidential part of the meeting.

**92. APOLOGIES**

Apologies were received from Councillors Vaughan Clarke, Mark Kemp-Gee and George Ringrow.

**93. 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.

**94. MINUTES**

The Minutes of the meeting held on 5 February 2015 were agreed as a correct record and signed by the Chairman.

**95. CHAIRMAN'S ANNOUNCEMENTS**

No announcements were made at this meeting.

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

The Committee considered a report of the Director of Policy and Governance – Corporate Services (Item 5 in the Minute Book) giving a summary on the instances that the County Council has used its investigatory powers in the last three months.

Members noted that there had had been no use of surveillance powers in the fourth quarter of this financial year.

**RESOLVED:**

That the report be noted.

**97. DATA PROTECTION AND INFORMATION HANDLING**

The Committee considered a report of the Director of Policy and Governance – Corporate Services (Item 6 in the Minute Book) outlining the governance arrangements the County Council has in place to ensure that the information in its care is appropriately safeguarded.

The Director reported that the County Council had a range of processes, policies and systems in place to safeguard the information it holds and ensures staff were made aware of their responsibilities through training. So far, approximately 4,000 members of staff had already undertaken this training. In this respect, it was noted that a training event was being arranged for all Members of the Council and was likely to be a topic in the Members' Briefing Programme scheduled for October this year.

**RESOLVED:**

That the report be noted.

**98. INTERNAL AUDIT CHARTER 2015-16**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 7 in the Minute Book) on the Council's Internal Audit Charter for 2015-16.

Members were advised that the County Council's Audit Charter provided a compliant framework which defined the purpose, authority and responsibility of the internal audit activity and that there were no significant changes made since the previous year.

**RESOLVED:**

That the Internal Audit Charter for 2015-16 be approved.

**99. INTERNAL AUDIT PLAN 2015-16**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 8 in the Minute Book) giving an overview on the Council’s Internal Audit Plan for 2015-16.

The Chief Internal Auditor summarised a number of key reviews which would take place over the coming year including H3/IBC Services, where engagement with officers was being undertaken to make sure resources were being targeted in the right areas. Members were advised that this was an area that had benefits not only to the County Council but its partners and to which approximately 400 staff days had already been committed. Given the complexity of H3 services, Members were made aware of the breakdown of this group of reviews within Appendix 2 of the report.

**RESOLVED:**

That the Internal Audit Plan for 2015-16 be approved.

**100. INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report of the Director of Corporate Resources – Corporate Services on the progress of internal audit (Item 9 in the Minute Book). It provided an overview of internal audit activity against assurance work completed in accordance with the approved audit plan.

The Chief Internal Auditor gave an overview of the status of “live” reports and answered detailed questions from Members. In particular, it was noted that, following discussion at a previous meeting where Members expressed their concern on the amount of live actions still ongoing after 1 year, this figure had reduced from 11 to 5. The amount of overdue actions had reduced to 5.

The Auditor also reported that the County Council’s Corporate Management Team supported the actions being undertaken to reduce this backlog further.

**RESOLVED:**

That progress on internal audit activity for the period to May 2015 be noted.

**101. ANNUAL AUDIT REPORT AND OPINION 2014-15**

The Committee considered a report of the Director of Corporate Resources – Corporate Services on the Chief Internal Auditor’s opinion on the adequacy and effectiveness of the County Council’s framework of risk management, internal control and governance for the year ending March 2015 (Item 10 in the Minute Book).

Members were advised that in delivering the internal audit opinion, the Southern Internal Audit Partnership had undertaken 121 reviews up to March this year. One of these reviews was of the Charging and Contributions Policy for Children in Care, which found that the Policy had fallen into disuse because of the criteria used for charging parents was variable. Action was currently in place for the Director of Children’s Services to revise this.

**RESOLVED:**

That the Annual Audit report and Opinion of the Chief Internal Auditor for 2014-15 be approved.

**102. ANNUAL TREASURY OUTTURN REPORT 2014-15**

The Committee considered a report of the Director of Corporate Resources – Corporate Services regarding the treasury management activities during the year to date (Item 11 in the Minute Book).

The Director advised that no new borrowing had taken place this year and that all treasury activity had complied with policies adopted by the County Council.

**RESOLVED:**

That the reported be noted.

**103. ANNUAL GOVERNANCE STATEMENT**

The Committee considered a report of the Directors of Policy and Governance and Corporate Resources – Corporate Services (Item 12 in the Minute Book) seeking approval of the Annual Governance Statement for 2014/15 for Hampshire County Council and Hampshire Pension Fund.

In considering the report, Members were made aware of new arrangements being put in place for monitoring the Shared Services and Transformation agendas.

**RESOLVED:**

That the Annual Governance Statement be approved.

**104. HAMPSHIRE COUNTY COUNCIL AUDIT PLANNING REPORT AND ASSOCIATED FEES FOR 2014/15**

**105. HAMPSHIRE PENSION FUND AUDIT PLANNING REPORT AND ASSOCIATED FEES FOR 2014/15**

The Committee received and noted the audit planning reports and associated fees for 2014/15 for Hampshire County Council and the Hampshire Pension Fund (Items 13 (a & b) respectively).

In noting the contents of the reports, the Auditor clarified points on the County Council's Anti Fraud and Corruption Policy.

**RESOLVED:**

That the reports be noted.

In relation to Minute 106, Councillor Hooke, seconded by Councillor Collett, proposed that a recorded vote be taken on whether Item 15 on the agenda should be exempt. In accordance with Standing Order 22.3 of the Council's Constitution, a recorded vote was taken as follows:

Councillors:

Adrian Collett – Against  
Keith Evans - For  
Andrew Gibson - For  
Tony Hooke – Against  
Roger Huxstep – For  
Peter Latham - For  
Andy Moore – Against

**OUTCOME:**

For: 4  
Against: 3  
Abstention: 0

**106. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:**

That, in relation to the following item, it was agreed that 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 this item there would be disclosure to them of exempt information within Paragraphs 1 & 2 (and not Paragraph 3 as stated on the agenda) 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.

**107. ALLEGATIONS - HANDLING OF FREEDOM OF INFORMATION REQUESTS**

The Committee considered and approved an exempt report regarding handling of Freedom of Information requests (Item 15 in the Minute Book).

**SUMMARY OF EXEMPT MINUTE**