

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 24 September 2015.

PRESENT:

p Councillor Keith Evans (Chairman)

p Vaughan Clarke (V. Chairman)
a Adrian Collett
p Roger Huxstep
a Tony Hooke

p Mark Kemp-Gee
p Andy Moore
p George Ringrow
p Tom Thacker

Maria Grindley, Hassan Rohimun and Mark Justesen from the County Council's auditors, Ernst & Young, also attended this meeting.

108. 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.

109. APOLOGIES

Apologies were received from Councillors Adrian Collett and Tony Hooke.

110. 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.

111. MINUTES – NON EXEMPT

The non-exempt Minutes of the meeting held on 25 June 2015 were agreed as a correct record and signed by the Chairman.

112. DEPUTATIONS

No deputations were received for this meeting.

113. CHAIRMAN'S ANNOUNCEMENTS

No announcements were made on this occasion.

114. 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 on how the County Council had used its investigatory powers in the last financial year (Item 6 in the Minute Book).

It was noted that the use of surveillance was not the totality of any criminal investigation, but a small part of it, and that criminal investigations may not complete their passage through the criminal court process for many months, if not years after the surveillance activity had ceased. Members were advised that there had been no use of surveillance powers in Q4 of 2014/15 and Q1 of 2015/16.

RESOLVED:

That the report be noted.

115. INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report of the Director of Corporate Resources – Corporate Services giving an overview of internal audit activity against assurance work completed in accordance with the approved audit plan. It also provided an overview of the status of “live” reports up to the period of September 2015 (Item 7 in the Minute Book).

In considering the report, the Director highlighted the following points:

- that the action on the Adult Services Bed Reablement was now implemented (page 6)
- with regard to counter fraud work, the total amount of time spent by the authority on the investigation and prosecution of fraud had totalled 36. This was in part due to the amount of time contributing to the National Fraud Initiative, which hadn't generated any cases for the County Council (page 9).

Members were made aware that the external assessors were in the process of completing the External Quality Assessment of the Southern Internal Audit Partnership. The process was comprehensive including a range of survey's, interviews, and documentary review. The outcomes of the external assessment would be reported to the Audit Committee in December.

RESOLVED:

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

116. (a) HAMPSHIRE COUNTY COUNCIL AUDIT PLANNING REPORT AND ASSOCIATED FEES
(b) HAMPSHIRE PENSION FUND AUDIT PLANNING REPORT AND ASSOCIATED FEES

The Committee received and noted the Auditors' Planning Reports for the year ending 31 March 2015 relating to Hampshire County Council and the Hampshire Pension Fund (Items 8a and 8b in the Minute Book respectively).

During discussion, the Committee's attention was drawn to the annual completion of related party transaction declarations by Members. It was noted that as at 14 September, officers had not received the required declarations from three Members. The Committee understood the importance of these declarations and asked the Director of Corporate Resources – Corporate Services to liaise with the Head of Legal Services to take this matter forward to ensure complete compliance in future years.

117. STATEMENTS OF ACCOUNTS

The Committee considered a report of the Director of Corporate Resources – Corporate Services seeking approval of the Statement of Accounts for the year ending 31 March 2015 (Item 9 in the Minute Book).

Following conclusion of the Audit of Accounts for Hampshire County Council and the Hampshire Pension Fund, the Director tabled revised pages, 15, 118, 142-143 and 145 of the Statement of Accounts.

The Director reported that the Code of Practice on Local Authority Accounting was reviewed each year and for 2014/15, the key changes were the requirements of the five new or amended accounting standards relating to the consolidated financial statements and accounting for joint ventures, associates and other entities. For the County Council, this had resulted in the inclusion of the balance sheet of assets relating to non trust foundations schools. These assets were owned and controlled by the Governing Body, which was not a legal entity separate from the school.

It was noted that, consequently, assets valued at £109m as at April 2013 relating to 12 foundation schools had been included in the County Council's balance sheet.

RESOLVED:

- i. That the Statement of Accounts be approved.
- ii. That the Director of Corporate Resources – Corporate Services be given delegated authority to approve any minor amendments to the Statement of Accounts prior to the issue of the final audit opinion and publication of the Statement of Accounts.

118. MINUTES OF THE PENSION FUND PANEL MEETING – 19 JUNE 2015 – LESS EXEMPT MINUTES (FOR INFORMATION)

The Committee received and noted the non-exempt minutes of the Pension Fund Panel meeting held on 19 June 2015 (Item 10 in the Minute Book).

119. 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 Paragraphs 1 and 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.

120. EXEMPT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 25 JUNE 2015

The exempt minutes of the Audit Committee meeting held on 25 June 2015 (Item 12 in the Minute Book) were confirmed as a correct record and signed by the Chairman.

121. EXEMPT MINUTES OF THE PENSION FUND PANEL MEETING – 19 JUNE 2015 (FOR INFORMATION)

The Committee received and noted the exempt minutes in relation to Minute No. 118 above (Item 13 in the Minute Book).