

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 3 December 2015.

PRESENT:

p Councillor Keith Evans (Chairman)

p Vaughan Clarke (V. Chairman)	p Mark Kemp-Gee
p Adrian Collett	a Andy Moore
p Roger Huxstep	p George Ringrow
a Tony Hooke	p Tom Thacker

Mark Justesen from Ernst & Young also attended this meeting.

122. 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.

123. APOLOGIES

Apologies were received from Councillor Moore.

124. 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.

125. MINUTES

The Minutes of the meeting held on 24 September 2015 were agreed as a correct record, subject to the following amendments and were then signed by the Chairman:

- Steven Clarke, not Mark Justesen, of Ernst and Young attended the meeting
- Minute 115 – 2nd bullet point, 2nd line - should read 36 days.
- Minute 116 – Heading - should read Auditors' Results reports

Matters arising:

In relation to Minute 116 and the completion of related party transaction declarations, the Director of Corporate Resources – Corporate Services advised that non-compliance had now reduced to one Member. It was agreed that the Chairman would contact the appropriate Group Leader to ensure full compliance.

The Committee acknowledged the importance of completing this information and noted the compliance with this requirement was required under the Members' Code of Conduct as set out in the County Council's Constitution.

126. DEPUTATIONS

No deputations were received for this meeting.

127. CHAIRMAN'S ANNOUNCEMENTS

No announcements were made on this occasion.

128. 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).

The Director advised this report covered the period since the Committee last met and that for future years, the usual fuller annual report would be submitted to its June meeting rather than September.

RESOLVED:

That the report be noted.

129. 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 for the period up to November 2015.

Members noted that the audits for the Friends and family care were now cleared;

The Chief Internal Auditor answered a number of questions from Members, in particular around counter fraud work and the total amount of time spent by the authority on the investigation and prosecution. Members were advised this was mainly due to time spent on seeing a particular case through to a successful prosecution. It was also agreed to submit a report, on a 6 monthly basis, on all fraud irregularities presented to the County Council, including those which were subsequently passed to other agencies.

RESOLVED:

- i. That the internal Audit Progress report for the period up to November 2015 be noted.
- ii. That a report be submitted to the Committee on a 6 monthly basis giving a summary on all fraud irregularities presented to the County Council, including those which were subsequently passed to other agencies.

130. SOUTHERN INTERNAL AUDIT PARTNERSHIP – EXTERNAL QUALITY ASSESSMENT

The Committee considered a report of the Director of Corporate Resources – Corporate Services detailing the outcomes of the External Quality Assessment (Item 8 in the Minute Book).

Members were advised assessment of Southern Internal Audit Partnership (SIAP) had taken place in September which concluded with SIAP receiving a “generally conforms” rating (top grading) against the IPPF, PSIAS and LGAN Standards. The SIAP was also benchmarked against a number of internal audit services from across the UK & Ireland (both public and private sector) concluding in 3 ‘Excellent’ and 2 ‘Good’ ratings.

The assessors did identify four recommendations for further development and it was noted that an action plan had been put in place to address these matters by March 2016.

RESOLVED:

That the External Quality Assessment of the Southern Internal Audit Partnership be noted.

131. TREASURY MANAGEMENT MONITORING REPORT 2015-16

The Committee considered a report of the Director of Corporate Resources – Corporate Services outlining the County Council’s treasury management activities to date (Item 9 in the Minute Book).

In presenting the report, the Director highlighted the salient points and advised Members that the average interest rate earned on the County Council’s investments at 31 August 2015, was 1.49%. This was to be considered within the context of an unchanged UK Base Rate of 0.5% since March 2009 and very low short-term money market rates.

It was also noted that no new long-term borrowing had taken place in the five months to August 2015 or was planned for the remainder of this financial year. This had lowered overall treasury risk by reducing both external debt and temporary investments.

RESOLVED:

That the mid-year review of treasury management activities be noted.

132. APPOINTMENT OF RETURNING OFFICER

The Committee considered a report of the Chief Executive on the appointment of the Returning Officer for the County Council (Item 10 in the Minute Book).

RESOLVED:

That the Chief Executive of the County Council be appointed as County Council Returning Officer and that the appointment of John Coughlan in this regard be confirmed.

133. ANNUAL AUDIT LETTER 2014-15

The Committee received and noted the Annual Audit letter for 2014-15 (Item 11 in the Minute Book). In noting this item, it was highlighted that under the heading "securing financial resilience" shown on page 4, it should read "by April 2016, £83.6m of efficiency savings were forecast to be delivered against the target of £102.5m"

During discussion of the value for money conclusion on the Better Care Fund, Members questioned how the department was addressing this shortfall. The Director agreed to send Members details of reports presented to Cabinet and Full Council on how these shortfalls were being met.

134. MINUTES OF THE PENSION FUND PANEL AND BOARD MEETINGS (LESS EXEMPT MINUTES)

The Committee received and noted the minutes of the meetings of the Pension Fund Panel and Board held on 9 July, 28 September and 16 October 2015 (Items 12a, b, and c respectively in the Minute Book).

135. 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.

136. EXEMPT MINUTES OF THE PENSION FUND PANEL AND BOARD MEETINGS

The Committee received and noted the exempt minutes in relation to Minute No. 134 above (Items 14a, b, and c respectively in the Minute Book).