

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 1 December 2016.

PRESENT:

p Councillor Keith Evans (Chairman)

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

Adam Swain from the External Auditors also attended this meeting.

181. **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.

182. **APOLOGIES**

Apologies were received from Councillors Adrian Collett and Tony Hooke.

183. **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.

184. **MINUTES**

The Minutes of the meeting held on 29 September 2016 were agreed as a correct record and signed by the Chairman.

185. **DEPUTATIONS**

No deputations were received for this meeting.

186. **CHAIRMAN'S ANNOUNCEMENTS**

No announcements were made on this occasion.

187. **RIPA – QUARTERLY REPORTING OF SURVEILLANCE**

The Committee was advised by the Director of Transformation and Governance – Corporate Services that there were no matters to report for the second quarter of this year.

188. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 7 in the Minute Book) giving an overview of progress made on internal audit activity and the status of “live” reports for the period to November 2016.

The Deputy Head of Internal Audit gave an update on the reviews and in particular drew the Committee’s attention to the items relating to Risk Management and Governance Arrangements – Information management. It was reported that due to the recent visit from the Information Commissioner’s Office (ICO), both of these reviews had unfortunately been delayed but were still expected to be delivered by the end of March.

With regard to the recent ICO visit, the Committee was advised that the inspections had gone well and a good result was expected.

RESOLVED:

That the Internal Audit progress report for the period to November 2016 be noted.

189. **TREASURY MANAGEMENT MONITORING REPORT 2016/17**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 8 in the Minute Book) outlining the mid-year review of the treasury management activities for 2016/17.

The Director drew Members’ attention to paragraph 3.10 of the report in that, based on the stability of the County Council’s cash balances, it was being recommended to increase the allocation targeting higher yields to £200m, which would increase the overall rate of return and the income contributed to the revenue budget. It was noted that this amount represented half of the County Council’s forecast minimum cash balance and was a sum that could be managed appropriately as a long-term investment.

RESOLVED:

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

1. Based on the stability of the County Council's cash balances, it is recommended to increase the allocation targeting higher yields to £200m, to increase the overall rate of return and the income contributed to the revenue budget.
2. That the mid-year review of treasury management activities be noted.

190. **DISCLOSURE AND DEBARRING SERVICE CHECKS FOR ELECTED MEMBERS**

The Committee considered a report of the Chief Executive seeking formalisation and approval to the draft policy for undertaking Disclosure and Debarring Service ("DBS") checks for elected Members (Item 9 in the Minute Book).

The Chief Executive outlined the need for the County Council to formally adopt a policy in relation to DBS checks for elected Members as part of the Corporate Governance Framework. The Committee was advised on the approach of how this policy would be applied in principle, once adopted. It was also reported that the policy would be publicised to potential candidates prior to the 2017 elections so that all Members and potential Members were aware.

RESOLVED:

1. That the Committee approves and adopts the policy for DBS checks for Members set out at Appendix 1 of the report, as part of the Corporate Governance Framework.
2. That the Committee notes the process that will be followed and safeguards that will be put in place, as set out in the report, to protect Members' rights to privacy and security of sensitive personal information.

191. **ANNUAL AUDIT LETTER FOR HAMPSHIRE COUNTY COUNCIL AND HAMPSHIRE PENSION FUND FOR 2015/16.**

The Committee received and noted the Annual Audit Letter for Hampshire County Council and Hampshire Pension Fund for 2015/16 (Item 10 in the Minute Book).

The External Auditor advised the Committee that an unqualified audit report for the financial statements and the value for money for both the County Council and Hampshire Pension Fund had been issued at its meeting on 29 September 2016.

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

The Committee received and noted the minutes of the Pension Fund Panel and Board meetings held on 22 July and 26 September 2016 (less exempt matters) (Items 11a and b respectively in the Minute Book).

193. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That the press and 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 were present there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, being information relating to the financial or business affairs of any particular person (including the authority holding that information) which should not be disclosed for the reasons set out in the minutes.

194. **EXEMPT MINUTES OF THE PENSION FUND PANEL AND BOARD MEETINGS**
- (EXEMPT MINUTES)

The Committee received and noted the exempt minutes of the Pension Fund Panel and Board meetings held on 22 July and 26 September 2016 (exempt minutes) (Items 13a and b respectively in the Minute Book).