

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 2 February 2017.

PRESENT:

p Councillor Keith Evans (Chairman)

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

Adam Swain from Ernst and Young also attended this meeting.

195. **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.

196. **APOLOGIES**

Apologies were received from Councillor Thacker.

197. **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.

198. **MINUTES**

The minutes of the meeting held on 1 December 2016 were agreed as a correct record and signed by the Chairman.

199. **DEPUTATIONS**

No deputations were received for this meeting.

200. **CHAIRMAN'S ANNOUNCEMENTS**

No announcements were made on this occasion.

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

The Committee received and noted a presentation given by the Director of Transformation and Governance – Corporate Services (Item 6 in the Minute Book) on the number of authorisations during 1 April 2016 – 31 March 2017.

202. **RISK MANAGEMENT ARRANGEMENTS**

The Committee considered a report of the Director of Transformation and Governance – Corporate Services (Item 7 in the Minute Book) giving an update on the key aspects of the County Council's risk management arrangements.

The Director informed the Committee that the County Council's risk management arrangements were designed to support an environment in which risk taking, innovation and exploitation of opportunities were encouraged within a well managed environment, through a series of departmental and corporate risk registers. These registers were overseen by a Risk Management Board and were currently being reviewed as the County Council moves from its Transformation T17 to T19 programmes.

During discussion, Members requested that both these registers be presented to a future meeting for the Committee to review.

RESOLVED:

1. That the contents of the report be noted along with the risk management arrangements in place across the County Council.
2. That a report on the County Council's Risk Registers and their contents be submitted to a future meeting for consideration.

203. **THE CORPORATE GOVERNANCE FRAMEWORK**

The Committee considered a report of the Director of Transformation and Governance – Corporate Services (Item 8 in the Minute Book) seeking formal adoption of the revised Code of Corporate Governance into the County Council's Corporate Governance Framework.

The Director highlighted key aspects of the report including the revised CIPFA guidance issued in 2016, which took into account the current challenges facing Local Government. It was noted that the Code, if approved, would apply to the County Council's Annual Governance Statement for 2016/17 onwards.

RESOLVED:

That the revised Code of Corporate Governance for Hampshire County Council be approved.

204. **TREASURY MANAGEMENT STRATEGY AND INVESTMENT STRATEGY 2017/18 TO 2019/20**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 9 in the Minute Book) detailing the County Council’s Treasury Management Strategy and Investment Strategy for 2017/18 to 2019/20.

The Director summarised the main points of the report including that reserves and balances were expected to reduce over the forecast period due to the anticipated funding of the capital programme and use of the Grant Equalisation Reserve as part of the County Council’s financial strategy. Members were also advised on the recommendation being put to Cabinet on the addition of a further £0.5m to the Investment Risk Reserve.

RESOLVED:

That the Committee noted the following recommendations being made to Cabinet:

- i. Treasury Management Strategy and Annual Investment Strategy for 2017/18 (and the remainder of 2016/17) be noted, including:
 - Prudential Indicators for 2017/18, 2018/19 and 2019/20 – Annex C
 - Minimum Revenue Provision (MRP) Statement – Annex D
- ii. 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 as appropriate to most effectively manage the Council’s investments
- iii. The addition of a further £0.5m to the Investment Risk Reserve created in the County Council’s accounts in the Treasury Management Strategy 2015/16 as protection against the irrecoverable fall in value of any investments.

205. **ANNUAL AUDIT PLAN FOR 2016/17**

The Committee received a report on the Annual Audit Plan for 2016/17 (Item 10 in the Minute Book). Members asked a number of questions and subsequently noted the contents of the Plan.

206. **MINUTES OF THE PENSION FUND PANEL AND BOARD MEETING – 4 NOVEMBER 2016 (LESS EXEMPT MINUTES)**

The Committee received and noted the minutes of the Pension Fund Panel and Board meeting held on 4 November 2016 (less exempt minutes) (Item 11 in the Minute Book).

207. **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.

208. **EXEMPT MINUTES OF THE PENSION FUND PANEL AND BOARD MEETING
- 4 NOVEMBER 2016 (EXEMPT MINUTES)**

The Committee received and noted the exempt minutes of the Pension Fund Panel and Board meeting held on 4 November 2016 (exempt minutes) (Item 13 in the Minute Booke).

Chairman