

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 9 December 2010.

PRESENT:

p Councillor K. Evans (Chairman)

p F. Allgood
p J. Bryant
p V. Clarke
p B. Dash

p M. Geddes
a A. Gibson
p E. Neal
a C. Thomas

Kate Handy, District Auditor and Hassan Rohimun, Audit Manager of the Audit Commission also attended this meeting.

68 APOLOGIES

Apologies for absence were received from Councillors A. Gibson and C. Thomas.

69 DECLARATIONS OF INTEREST

All Members who believed they had a personal or prejudicial interest in any matter to be considered at the meeting were asked to declare that interest and, having regard to the circumstances described in paragraphs 9, 10, 11 and 12 of the County Council's Code of Conduct, consider whether to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with paragraph 12 of the Code. The declaration should be made at the time of the relevant debate.

Councillors F. Allgood and B. Dash declared personal, non-prejudicial interests in respect of agenda items 9 and 11 (Pension Fund Panel Minutes) as Members of the HCC Pension Fund Panel.

70 MINUTES

The Minutes of the meeting held on 29 September 2010 were agreed and signed by the Chairman as a correct record, subject to the second and penultimate sentences of Minute 60 "Audit Commission Annual Governance Report 2009/10" being amended to read "Also, the Committee had separately before them ..." and "issue an unqualified value for money conclusion on ..."

71 CHAIRMAN'S COMMUNICATIONS

The Chairman welcomed Neil Pitman, Chief Internal Auditor to his first meeting of the Committee.

72 ANNUAL AUDIT LETTER

Kate Handy from the Audit Commission presented the Annual Audit Letter on the 2009/10 audit. (Item 5 in the Minute Book). The report summarised the audit of the County Council's financial statements and provided an assessment of its arrangements to achieve value for money in use of resources. It also commented upon some of the current and significant future challenges facing the Council.

The Committee welcomed the report and the unqualified conclusion that the Council had proper arrangements in place to achieve economy, efficiency and effectiveness of its use of resources.

RESOLVED:

That the Audit Commission's Annual Audit Letter for 2009/10 be received and noted.

73 INTERNAL AUDIT PROGRESS REPORT 2010/11

The Committee considered the report of the County Treasurer (Item 6 in the Minute Book) which summarised progress in relation to the County Council's internal audit plan for 2010/11 and indicated there had been no significant matters identified as part of the 2010/11 internal audit work.

RESOLVED:

That the Committee approves the progress of internal audit work during 2010/11.

74 INTERNAL AUDIT STRATEGY 2011-14

The Committee considered the report of the County Treasurer (Item 7 in the Minute Book) giving an overview of the revised Internal Audit Strategy and Strategic Audit Plan. It highlighted for Members various key changes to the internal audit focus and approach. The Committee supported the way forward being proposed in the report and the revised internal audit strategy to be introduced from 1 April 2011.

RESOLVED:

- (a) That the Committee approves the Internal Audit Strategy 2011-14.
- (b) That the Committee note an appropriate staffing structure will be implemented from 1 April 2011 to effectively resource the internal audit service.

75 LAND DISPOSALS POLICY

The Committee considered the report of the Director of Property, Business and Regulatory Services (Item 8 in the Minute Book) setting out a proposed Land Disposals Policy, as recommended by the Audit Commission, following an earlier review of the County Council's management of its disposal of land and buildings. Members were reminded that they had requested sight of this prior to the draft Policy going forward for approval by the Executive Member for Policy and Resources as part of the proposed new Strategic Asset Management Plan. Whilst adoption of the Policy would not actually change the current disposals methodology or the principles followed, it would ensure these are properly recorded, and used to assist potential purchasers in understanding how disposals decisions were made. The Committee, in supporting the proposed Land Disposals Policy, wished to see the text in Section 3 strengthened by officers so as to make reference to the existing practice by which local Councillors were informed, in an appropriate way, of disposals in their division. Accordingly, it was

RESOLVED:

- (a) That the Director of Property, Business and Regulatory Services agree, in consultation with the Chairman of the Audit Committee, an amended text to Section 3 of the draft Disposal Policy so as to refer to the existing practice of keeping local Councillors informed of disposals in their division, recognising the need for sensitivity in dealing with any exempt information.
- (b) That, subject to the amendment mentioned in (a) above to the text of the draft Policy, it be a recommendation to the Executive Member for Policy and Resources that the draft Land Disposal Policy be approved as part of the proposed new Strategic Asset Management Plan.

76 PENSION FUND PANEL - MINUTES OF 11 AND 18 JUNE 2010

The Committee received the Minutes of the Pension Fund Panel meetings held on 11 June and 18 2010 (Items 9(a) and 9 (b) in the Minute Book).

77 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That, in relation to the following item, 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 the item there would be disclosure to them of exempt information within Paragraph 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 report.

78 MINUTES OF PENSION FUND PANEL MEETINGS - 11 AND 18 JUNE 2010 (EXEMPT APPENDICES)

The Committee received the exempt appendices accompanying the Minutes of the Pension Fund Panel meetings held on 11 June and 18 June 2010 (Item 11 in the Minute Book).

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