

AT A MEETING of the Audit Committee of HAMPSHIRE COUNTY COUNCIL
held at the castle, Winchester on Thursday, 26th May, 2022

Chairman:

* Councillor Alexis McEvoy

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| * Councillor Tim Davies | Councillor Andy Tree |
| * Councillor Dominic Hiscock | * Councillor Juliet Henderson |
| Councillor Keith House | |
| Councillor Mark Kemp-Gee | |
| * Councillor Derek Mellor | |
| Councillor Rob Mocatta | |
| * Councillor Michael Thierry | |

*Present

54. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Keith House, Mark Kemp-Gee, Rob Mocatta and Andy Tree. Councillor Juliet Henderson was in attendance as the Conservative substitute.

55. 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.

56. MINUTES OF PREVIOUS MEETING HELD ON 3 MARCH 2022

The minutes of the meeting held on 3 March 2022 were agreed as a correct record and signed by the Chairman.

57. DEPUTATIONS

No deputations were received by the Committee on this occasion.

58. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements.

59. **INFORMATION COMPLIANCE - USE OF REGULATED INVESTIGATORY POWERS**

The Committee considered the report of the Chief Executive regarding the County Council's use of regulated investigatory powers.

Members heard that surveillance powers had not been used during the previous quarter.

Members questioned why powers had not been used during the previous three quarters. It was heard that powers were only used where their use would be proportionate and necessary to prevent and detect criminal activity. In order to satisfy themselves that powers were being used appropriately the Committee requested that details of the number of instances where the use of surveillance powers had been considered, and the decision taken not to use them, be included in the annual report to be presented at the next meeting of the Audit Committee.

RESOLVED:

That the Audit Committee receives and notes the data regarding the County Council's use of surveillance powers.

60. **EXTERNAL AUDIT PLANNING REPORT 2021/22**

The Committee received the annual audit planning report for 2021/22 from the external auditors. Members heard that:

- There had been no significant change in the level of risk or focus identified from the previous year. A slight change was proposed to be taken in relation to auditing value for money, following the identification of an enhanced risk relating to the impact of Covid-19 on medium term financial planning.
- A new risk had been introduced in relation to infrastructure assets, which had been identified nationally as a developing risk area when roads were deregistered by local authorities. In response to Members questions it was heard that this was not a concern identified within Hampshire, and the Chartered Institute of Public Finance and Accountancy (CIPFA) had instructed a task force to provide some clarity on appropriate audit approaches. Members challenged why public money was being spent on auditing this area when, as the road network was not an asset which could be sold, it made no tangible difference to the financial standing of the County Council, through which Members heard it was necessary to ensure that assets were correctly presented on the balance sheet.
- In response to Members questions it was heard the effect of climate-related matters on financial statements was considered to be low risk and the auditors would look at any pledges by the County Council and Hampshire Pension Fund to reduce environmental impact and consider how progress against such pledges was being monitored and the potential impact on the Council's finances.

- A question was raised regarding audit risks outlined around inappropriate capitalisation of revenue expenditure and misstatements due to fraud or error. It was heard that this was a mandated audit requirement, and was considered to be a more significant risk in the private sector.
- Materiality had been set 1.8% of gross expenditure, consistent with the approach taken in previous years.
- The Audit timetable had been agreed with the Director of Corporate Operations, with the expectation that the Statement of Accounts would be signed off by the end of September, ahead of November deadline.

RESOLVED:

That the Audit Committee receives and notes the Hampshire County Council and Hampshire Pension Fund Audit Planning Reports for 2021/22.

61. MINUTES OF THE HAMPSHIRE PENSION FUND PANEL AND BOARD MEETING - 10 DECEMBER 2021 (PUBLIC)

The Committee received and noted the public minutes of the Hampshire Pension Fund and Board meeting held on 10 December 2021.

62. EXCLUSION OF THE PRESS AND PUBLIC

The press and public were excluded from the meeting during the following items of business, as it was 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 during these items there would have been disclosure to them of exempt information within Paragraphs 3 and 5 of Part I Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, for the reasons set out in the minutes.

63. MINUTES OF THE HAMPSHIRE PENSION FUND PANEL AND BOARD MEETING - 10 DECEMBER 2021 (EXEMPT)

The Committee received and noted the exempt minutes of the Hampshire Pension Fund and Board meeting held on 10 December 2021.

Chairman, 28 September 2022