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AT A MEETING of the Audit Committee of HAMPSHIRE COUNTY COUNCIL
held at The Castle, Winchester on Thursday, 20th December, 2018:

Chairman:
p. Councillor Keith Evans

p. Councillor Alexis McEvoy
a. Councillor Dominic Hiscock
p. Councillor Keith House
p. Councillor Mark Kemp-Gee
p. Councillor Derek Mellor
p. Councillor Rob Mocatta

p. Councillor Lance Quantrill
p. Councillor Tom Thacker

84. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Hiscock.

85. **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.

86. **MINUTES OF PREVIOUS MEETING - 26 JULY 2018**

The minutes of the meeting held on 26 July 2018 were agreed as a correct record and signed by the Chairman.

87. **DEPUTATIONS**

There were no deputations.

88. **CHAIRMAN'S ANNOUNCEMENTS**

There were no announcements.

89. INFORMATION COMPLIANCE - USE OF REGULATED INVESTIGATORY POWERS

The Committee considered the report of the Director of Transformation and Governance– Corporate Services regarding the County Council’s use of regulated investigatory powers.

RESOLVED:

That the Audit Committee receives and notes the data regarding the County Council’s use of surveillance powers as attached at Appendix 1 to the report.

90. INTERNAL AUDIT PROGRESS REPORT (NOVEMBER 2018)

The Committee considered the report of the Deputy Chief Executive and Director of Corporate Resources with the internal audit progress report.

In response to Members’ questions, it was confirmed that:

- The customer feedback, referred to on page 25 of the agenda pack, had been obtained via survey. The survey had been sent to Audit Committee members, Chief Officers and key contacts from all organisations who were included within the Southern Internal Audit Partnership.
- The overdue management actions, referred to on page 26 of the agenda pack, were being addressed with a thorough action plan. Lead officers with the responsibility for each entry had provided estimated timescales for completion of required actions and Internal Audit intended to follow up with the lead officers until the required action was carried out.

RESOLVED:

That the Audit Committee notes the Internal Audit Progress report for the period to November 2018 as attached at Appendix 1 to the report.

91. TREASURY MANAGEMENT MONITORING REPORT 2018/19

The Committee considered the report of the Deputy Chief Executive and Director of Corporate Resources with the treasury management mid year monitoring report.

In response to Members’ questions, it was confirmed that investment opportunities were always carefully selected in liaison with the County Council’s independent advisors and reviewed by the Director. The Committee noted that a further update on any return from investments would be provided at a future meeting. Members also queried why, given the attractive percentage returns, it was taking so long to commit to the agreed £200m investment level. The Committee were assured that this was being progressed and there will be increased level of investment going forward.

RESOLVED:

That the Audit Committee notes that the mid-year report on treasury management and also notes that this has been reported to both Cabinet and Full Council.

92. **ANNUAL AUDIT LETTER - 2017/18**

In relation to this item, Councillor House declared a non-pecuniary interest as a Board member of the Public Sector Audit Appointments (PSAA) who appoint Ernst and Young as a principal body audit firm.

The Committee received and noted the annual audit letter for 2017/18 from the external auditors, Ernst and Young, following the completion of the audit procedures for the year.

93. **MINUTES OF THE HAMPSHIRE PENSION FUND PANEL AND BOARD MEETING - 22 JUNE, 27 JULY AND 28 SEPTEMBER 2018 (LESS EXEMPT)**

The Committee received and noted the non-exempt minutes of the Hampshire Pension Fund and Board meeting held on 22 June, 27 July and 28 September 2018.

94. **EXCLUSION OF THE PRESS AND PUBLIC**

It was resolved that any press and public who had been present 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 Paragraph 3 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.

95. **MINUTES OF THE HAMPSHIRE PENSION FUND PANEL AND BOARD MEETING - 22 JUNE, 27 JULY AND 28 SEPTEMBER 2018 (EXEMPT)**

The Committee received and noted the exempt minutes of the Hampshire Pension Fund and Board meeting held on 22 June, 27 July and 28 September 2018.

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