

AT A MEETING of the Audit Committee of HAMPSHIRE COUNTY COUNCIL
held at The Castle, Winchester on Thursday, 22nd June, 2017

Chairman:

* Councillor Keith Evans

* Councillor Alexis McEvoy
* Councillor Adrian Collett
* Councillor Dominic Hiscock
* Councillor Mark Kemp-Gee
* Councillor Derek Mellor

* Councillor Floss Mitchell
* Councillor Rob Mocatta
Councillor Tom Thacker
Councillor Lance Quantrill
Councillor Bruce Tennent

*Present

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Tom Thacker.

2. 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.

3. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting held on 2 February 2017 were agreed as a correct record and signed by the Chairman.

4. DEPUTATIONS

No deputations were received for this meeting.

5. CHAIRMAN'S ANNOUNCEMENTS

Following recent County Council Elections, the Chairman welcomed new Members to their first meeting of the Audit Committee.

6. ROLE OF MEMBERS ON THE AUDIT COMMITTEE (PRESENTATION)

The Committee received and noted a detailed presentation from the Director of Corporate Resources – Corporate Resources (Item 6 in the Minute Book) on the role of members on the Audit Committee.

The Chairman agreed that the slides used in the presentation would be sent to Members in due course.

7. INFORMATION COMPLIANCE - USE OF REGULATED INVESTIGATORY POWERS

The Committee considered a report of the Director of Transformation and Governance – Corporate Services (Item 7 in the Minute Book) on the use of Regulated Investigatory Powers in the last financial year.

Members were made aware that the level of use of surveillance powers for 2016/17 was very low, continuing the trend seen in recent years. The Director updated the Committee regarding Quarter 4 of the Communications Data shown on page 18 of the report and confirmed that the number of Specific notices was 2.

RESOLVED:

- a) That the Committee noted the content of the report and that the County Council's surveillance powers continued to be exercised appropriately and proportionately.
- b) That the Committee provides assurance to the Executive Member for Policy and Resources that the County Council's use of surveillance powers for the previous financial year and that it is operating its powers in a lawful and proportionate manner.

8. INTERNAL AUDIT CHARTER 2017-18

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 8 in the Minute Book) regarding the County Council's Internal Audit Charter for 2017-18.

Members were advised that the County Council's Audit Charter provided a compliant framework which defined the purpose, authority and responsibility of the internal audit activity and that there were no significant changes made since the previous year.

RESOLVED:

That the Internal Audit Charter for 2017-18 be approved.

9. INTERNAL AUDIT PLAN 2017-18

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 9 in the Minute Book) on the County Council's Internal Audit Plan for 2017-18.

The Chief Internal Auditor reported that the Plan had been developed to operate at a strategic level providing a value adding, and proportionate, level of assurance aligned to the County Council's objectives.

RESOLVED:

That the Internal Audit Plan for 2017/18 be approved.

10. **CHIEF INTERNAL AUDITOR'S ANNUAL REPORT & OPINION 2016-17**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 10 in the Minute Book) regarding the Annual Audit Report and Opinion for 2016/17.

Members were informed that the internal audit was compliant with the Public Sector Internal Audit Standards during 2016/17 and that the revised internal audit plan for 2016/17 had been substantially delivered.

RESOLVED:

That the Chief Internal Auditor's annual report and opinion for 2016/17 be approved.

11. **ANNUAL TREASURY OUTTURN REPORT 2016/17**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 11 in the Minute Book) setting out the performance of the treasury management during 2016/17, to include the effects of the decisions taken and the transactions executed in the past year.

Members were advised on the salient points of the report, including the County Council's investment and borrowing strategies. It was noted that these details were also being reported to Cabinet and Full Council.

RESOLVED:

That the report be noted.

12. **ANTI-MONEY LAUNDERING POLICY**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 12 in the Minute Book) seeking to formalise the County Council's approach to preventing money-laundering through an Anti-Money Laundering Policy.

The Director explained that this Policy would maintain the high standards of conduct which currently exists within the County Council by preventing criminal activity through money laundering. The draft Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations.

RESOLVED:

That the Anti Money Laundering Policy for the County Council be approved.

13. **ANNUAL GOVERNANCE STATEMENT**

The Committee considered a report of the Director of Transformation and Governance and Director of Corporate Resources – Corporate Services (Item 13 in the Minute Book) seeking approval of the County Council's Annual

Governance Statement for Hampshire County Council and the Hampshire Pension Fund.

The Director highlighted a number of key points on the draft Statement which had been prepared in relation to the County Council's new Code of Corporate Governance.

RESOLVED:

That the draft Annual Governance Statement, for signature by the Leader of the County Council and the Chief Executive, be approved.

14. **HAMPSHIRE COUNTY COUNCIL ANNUAL AUDIT AND CERTIFICATION FEES LETTER 2017/18**

The Committee received and noted the Hampshire County Council Annual Audit and Certification Fees Letter for 2017/18 (Item 14 in the Minute Book).

15. **HAMPSHIRE PENSION FUND ANNUAL AUDIT FEE LETTER FOR 2017/18 AND PLAN**

The Committee received and noted the Hampshire Pension Fund Annual Audit and Certification Fees Letter for 2017/18 and Plan (Item 15 in the Minute Book).

16. **MINUTES OF THE PENSION FUND AND BOARD MEETINGS (NON-EXEMPT)**

RESOLVED:

The Committee received and noted the non-exempt minutes of the Hampshire Pension Fund Panel and Board meetings held on 16 December 2016 and 31 January 2017 (Items 16 a and b respectively in the Minute Book).

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

RESOLVED:

That, in relation to the following items, 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 these items 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 exempt minutes.

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

RESOLVED:

The Committee received and noted the exempt minutes of the Hampshire Pension Fund Panel and Board meetings held on 16 December 2016 and 31 January 2017 (Items 18 a and b respectively in the Minute Book).

Chairman,