

AT A MEETING of the AUDIT COMMITTEE of the COUNTY COUNCIL held at The Castle, Winchester on 15 February 2013.

PRESENT:

p Councillor K. Evans (Chairman)

|              |             |
|--------------|-------------|
| a J. Bryant  | p M. Geddes |
| p V. Clarke  | p A. Gibson |
| p B. Dash    | p E. Neal   |
| a J. Frankum | a C. Thomas |

Hassan Rohimun, Audit Manager of Ernst & Young also attended this meeting.

150 **APOLOGIES**

Apologies for absence were received from Councillors John Bryant, Jane Frankum and Chris Thomas.

151 **DECLARATIONS OF INTEREST**

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting were asked to declare that interest and, having regard to the circumstances described in Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, consider whether to 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 all Members with a Non-Pecuniary interest in a matter being considered at the meeting should consider whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

No declarations of interest were made at the meeting.

152 **MINUTES**

The Minutes of the meeting held on 27 September 2012 were agreed as a correct record and signed by the Chairman.

153 **CHAIRMAN'S COMMUNICATIONS**

No announcements were made on this occasion.

154 **AUDIT COMMISSION: CERTIFICATION OF CLAIMS AND RETURNS  
– ANNUAL REPORT 2011/12**

The Committee considered a report of the Director of Corporate Resources – Corporate Services (Item 5 in the Minute Book) regarding the Audit Commission's Certification of Claims and Returns Annual Report for 2011/12.

Members noted that work had been undertaken to check and certify one return during 2011/12, "Teachers Pensions" and that there were no issues arising from this work which required a qualification report.

It was also noted that the Audit Commission's fee for work undertaken in 2011/12 had reduced from the previous year as a result of the Sure Start grant scheme ceasing.

**RESOLVED:**

That the Audit Commission's annual report on the Certification of Claims and Returns for 2011/12 be noted.

155 **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered the report of the Director of Corporate Resources – Corporate Services (Item 6 in the Minute Book) summarising the progress of Internal Audit work against the approved audit plan and an overview on the status of "live" reports.

The Director highlighted aspects of the report including the reduction of audits still in progress from those last reported; outcomes of fraud and irregularities work; the overall adequate state of audit assessment and the Service's business development in commencing work for the University of Winchester and two District/Borough Councils from 1 April 2013.

In considering this item, Members requested that an overview of the partnership arrangements and efficiencies achieved be reported to a future meeting of the Committee.

**RESOLVED:**

- i. That the Internal Audit Status of Work report for the period up to January 2013 be noted.
- ii. That an overview of the partnership arrangements and efficiencies achieved be reported back to the Committee.

156 **TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2013/14 to 2015/16**

The Committee considered the report of the Director of Corporate Resources – Corporate Services (Item 7 in the Minute Book) in respect of the Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16.

The Director reported that the Strategy Statement had largely remained unchanged and that the Council would continue to look at restructuring its debt exposure, where possible, although this could incur financial penalties.

**RESOLVED:**

That the Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16 be endorsed.

**157 EXTERNAL AUDIT – ANNUAL AUDIT FEE 2012/13**

The Committee considered the report of the Director of Corporate Resources - Corporate Services (Item 8 in the Minute Book) on the indicative audit fees and work to be undertaken by the external auditors at Hampshire County Council and the Hampshire Pension Fund for 2012/13.

Members noted that the fee had been set as part of the recent 5 year procurement exercise and was therefore not liable to increase in that period.

In respect of both audits carried out, Members were advised that any work carried out outside the defined scope would incur an extra charge.

**RESOLVED:**

That the external audit Annual Audit Fees for 2012/13 in respect of Hampshire County Council and the Hampshire Pension Fund be noted.

**158 EXTERNAL AUDIT – GOVERNMENT AND PUBLIC SECTOR ASSURANCE UPDATE – DECEMBER 2012**

The Committee considered the report of the Director of Corporate Resources – Corporate Services (Item 9 in the Minute Book) providing an update of recent information/developments that may be of interest in the discharge of its governance responsibilities.

The Committee were advised that Ernst and Young's national Government and Public Sector (GPS) team had provided this update as a regular briefing to Audit Committees on matters which may have an impact on them and the wider public sector. This first issue included details on the draft Local Audit Bill; Improving Local Government Transparency and Local Government Finance.

**RESOLVED:**

That the Government and Public Sector Assurance update from December 2012 be noted.

**159 MINUTES OF PENSION FUND PANEL MEETING**

That the Minutes of the Pension Fund Panel meetings held on 8 and 15 June 2012 and 9 November 2012 (Item 10 in the Minute Book) be received and noted.

160 **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 any individual which should not be disclosed for the reasons set out in the exempt appendices to the above minutes.

161 **MINUTES OF PENSION FUND PANEL**

That the exempt appendices accompanying the Minutes of the Pension Fund Panel meetings held in June and November 2012 (Item 12 in the Minute Book) be received and noted.