

AUDIT COMMITTEE

24 November 2016

Attendance:

Councillors:

Cutler (P)

Ashton (P)
Burns (P)
Huxstep (P)

Prince
Stallard
Weir (P)

Deputy Members:

Councillor Bell (Standing Deputy for Councillor Prince)
Councillor Jeffs (Standing Deputy for Councillor Stallard)

Others in attendance:

Councillor Godfrey – Leader and Portfolio Holder for Finance and Corporate Policy.

1. **DISCLOSURES OF INTERESTS**

Councillors Huxstep declared a disclosable pecuniary interest in respect of items under consideration which may have a Hampshire County Council involvement due to his role as County Councillor. However, as there was no material conflict of interest regarding these items, he had a dispensation granted on behalf of the Standards Committee to participate and vote in all matters which might have a County Council involvement.

2. **MINUTES**

RESOLVED:

That the minutes of the previous meeting held on 29 September 2016 be approved and adopted.

3. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman stated that there would be a special meeting of the Committee on 17 January 2017 principally to consider the Asset Management Plan, following its submission to Cabinet on 7 December 2016, and also the Treasury Management Strategy.

The Chairman welcomed to the meeting Mr Harvey from the Southern Internal Audit Partnership and Andrew Bouflower from Hampshire County Council.

4. **GOVERNANCE SUMMARY REPORT Q2**

(Report AUD177 refers)

A Member commented that the Report was welcomed and added that the Financial Risk Register should be included in future Reports in addition to the Corporate Risk Register.

RESOLVED:

1. That the Report and the separate agenda items that inform it be noted.
2. That updates against the actions raised in the Annual Audit Letter be brought to the 7 March 2017 meeting of the Committee.

5. **INTERNAL AUDIT PROGRESS REPORT 2016 - 2017**

(Report AUD176 refers)

Mr Harvey from the Southern Internal Audit Partnership presented this item.

RESOLVED:

That the Internal Audit Progress Report 2016 – 17, attached as Appendix 1 to the Report, be noted.

6. **ANNUAL AUDIT LETTER**

(Report AUD171 refers)

RESOLVED:

That the Annual Audit Letter 2015/16 be accepted.

8. **ANNUAL GOVERNANCE STATEMENT MONITORING UPDATE**

(Report AUD172 refers)

RESOLVED:

That no matters be raised with the relevant Portfolio Holder and no items of significance be drawn to the attention of Cabinet.

9. **TREASURY MANAGEMENT MID YEAR REVIEW**

(Report AUD174 refers)

The Head of Finance and Andrew Bouflower (Hampshire County Council's Director of Corporate Resources) presented this item.

A Member asked if the Council should be considering alternative investments rather than increasing some of its counter-party investment levels from £5m to £7m, which could increase financial risk. The officers explained that the Council had a relatively high cash balance and had a limited number of

counter-parties that it could use, which at present totalled 37. Not to increase the counter-party investment levels would result in the Council having to consider alternative investments that potentially had a higher financial risk than the present counter-parties. The Chairman commented that such matters could be considered when the Committee considered the Treasury Management Strategy at its special meeting on 17 January 2017.

RECOMMENDED:

THAT THE CHANGES TO THE 2016/17 TREASURY MANAGEMENT STRATEGY AS DETAILED IN SECTION 15 OF THE REPORT, BE APPROVED.

RESOLVED:

1. That the Treasury Management Mid-Year Monitoring Report for 2016/17 be approved.

9. **DECISION TO OPT INTO THE NATIONAL SCHEME FOR AUDITOR APPOINTMENTS WITH PSAA AS THE “APPOINTING PERSON”**

(Report AUD178 refers)

RECOMMENDED:

THAT COUNCIL ACCEPTS PUBLIC SECTOR AUDIT APPOINTMENTS (PSAA) INVITATION TO “OPT-IN” TO THE SECTOR LED OPTION FOR THE APPOINTMENT OF EXTERNAL AUDITORS FOR FIVE FINANCIAL YEARS.

10. **MAJOR PROJECTS PROGRAMME REGISTER**

(Report AUD175 refers)

In reply to a Member’s question, the Corporate Director (Professional Services) explained that the Capital Strategy Board was a new officer body that had been established to co-ordinate the Capital Programme. Its primary purpose was to follow the principles of the Council’s Capital Strategy and to focus on major projects and the monitoring of underspend. It would report to Council Committees at key points.

RESOLVED:

That the Programme Risk Register be noted and that no matters be raised with the Portfolio Holder.

The meeting commenced at 6.30pm and concluded at 7.30pm.

Chairman