



**Directorate of Legal and Democratic Services**  
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# Minutes

Name of meeting **AUDIT COMMITTEE**

Date and time **TUESDAY, 20 MAY 2008 AT 6.00PM**

Venue **COMMITTEE ROOM 1, COUNTY HALL, NEWPORT. IOW**

Present Cllrs Colin West (Chairman), Anne Bishop, Vanessa Churchman,  
Mike Cunningham, Barbara Foster

Audit Commission Kevin Suter, Steven Taylor

Officers Present Jonathan Baker, Steve Beynon, Marcus Elsom. George Hook, Heidi  
Marshall, Peter Oakeshott, Ged Richardson, April Ross.

Cabinet Member None

Apologies Cllrs Ivan Bulwer and Jonathan Fitzgerald-Bond

1. **Minutes**

The following item was clarified:

i. Use of Resources (UoR) – 2007

It was noted that the report was relevant as of 31 March 2007 and not 31 July 2007 as stated in the minutes

It was also noted that an agreed strategy was being planned to determine the size of the problem as regards to the payment of Council Tax to holiday homes on the Isle of Wight.

RESOLVED:

THAT the minutes of the meeting on [11 March 2008](#) be agreed subject to the change of date in relation to the UoR report.

2. **Declarations of Interest**

There were no declarations received at this stage.

3. **Public Question Time**

There were no public questions received.

4. **Audit Commission Report – Annual Audit Inspection Plan 2008/9**

The Head of Compliance introduced the report to the Committee and advised that the Annual Audit Inspection Plan for 2008/9 had been discussed and agreed with the Chief Executive and Director of Finance.

The context of the report is a risk based audit that provides an opinion on the Councils Statement of Accounts and its Value for Money as well as providing a best estimate of scored judgements on the Councils use of resources up to September 2009.

Four key areas were highlighted:

Data Quality  
Financial System Plan  
Ethical Standards  
Service Department Resources

It was noted that the detailed Audit and Inspection fee had risen by 5% from the previous year. This was largely due to inflationary purposes as well as the introduction of new responsibilities.

It was also noted that although Service Inspection was not covered for 2008/9, it was still possible that this could be reintroduced at any time in the future if there was a need to do so.

**RESOLVED:**

THAT the Report be approved.

5. **Draft Annual Governance Statement**

The Head of Compliance introduced the report that looked at the outcomes of the assurance process and the Draft Annual Governance Statement for 2007/8.

It was noted that due to members being asked to contribute more to the content of the report that would go to the Audit Committee Meeting on 23 June 2008, the draft paper was very much a “work in progress” report.

It was noted that a clear statement of processes would also be brought to June 2008 Audit Committee Meeting.

The Committee was advised by the Head of Compliance that the draft list of governance issues that accompanied the report was comparable to the issues that were listed in the previous years Statement of Internal Control and some items would carry over into the following year.

The Committee were advised that they could also add to the list of issues if it felt appropriate to do so.

It was noted that the Highways Maintenance PFI was due to start in November 2011 and not April 2011 as stated in the paper.

The Committee was advised that an improved and robust three year financial plan was put in place to help reduce the risk of further slippages to the Capital Programme in the future.

It was noted that the Council would review its Health and Safety Corporate Function to deliver a better understanding across the Council.

**RESOLVED:**

THAT the report be noted.

**6. Internal Audit Outcomes Report - Quarter Four**

The Chief Internal Auditor stated that the report provided a summary of Internal Audit performance for the fourth quarter of 2007/08.

The Committee was advised that the Council had just exceeded the target of 90% proportion of the Audit Plan completed with a total of 91%.

It was noted that the three audits that were not listed as completed in the Planned Coverage Output table would be completed in 2008/9.

It was also noted that the Council would rewrite the Financial Procedure Rules in relation to the Petty Cash Audit.

**RESOLVED:**

THAT the report be noted

**7. Risk Management Quarterly Report**

The Head of Compliance stated that the report provided a summary of progress achieved in relation to the implementation of the Councils Risk Management Strategy.

It was noted that the Audit Committee would focus on providing an overall view of the adequacy of the arrangements for managing risk across the whole Council.

The Policy and Strategy was reviewed and updated with some minor editorial changes and could be made available on request or via the Councils Internal web site.

The Head of Compliance reported that further training on risk would be made available to members before Christmas 2008.

**RESOLVED:**

THAT the Report be noted.

8. **Procurement Monitoring Report – Quarter Four**

The Head of Procurement presented the report that provided a summary of the progress achieved by Procurement towards improving the framework and procedures of the function. It also built on the previous report that went to the Audit Committee in March 2008.

Detailed figures in relation to the procurement activity of the Council were presented with the report.

The Chairman stated that the new procedures in place were encouraging and that the Island would see the benefits in due course.

It was noted that Procurement activity would be tracked and monitored and if necessary brought back to a future Audit Committee Meeting.

The Committee was advised that statistical information could be provided via use of a Data Cube IT Tool.

All contracts would be monitored on a quarterly basis and the Procurement Team would have the ability to identify when all contracts are ready to be renewed.

The Committee were advised that the Council should ensure security of supply as being of equal importance and in some cases this would be more important than price.

It was also noted that every opportunity would be given to procure at a local level. This was welcomed by the Committee who felt that any contract that could benefit the local economy should be communicated as widely as possible across the Island.

**RESOLVED:**

THAT the report be noted.

9. **Audit Commission Data Quality Report**

The Committee was advised that the report reflected key findings on Data Quality within the Council identifying weaknesses and the integrity of the information.

Progress on the Action Plan at the end of quarter four was given to

the Committee, although it was acknowledged that this was not as good as it should have been.

It was stated that the CorVu System of inputting data was a good tool but was only as reliable as the information put in.

The Council had introduced a robust mechanism of data quality awareness at every corporate induction and everyone was aware of their responsibilities.

From July 2007, Data Quality had been put under the leadership of a specific Director, although corporate ownership was now in the hands of everyone from the top down.

Reviews of Data Quality were carried out on a quarterly basis.

The Committee was advised that the Council's Partner's data quality should also be of the correct standard.

It was noted that any sharing of information was done using a national secure network procedure.

**RESOLVED:**

THAT the report be noted

10. **Exclusion of Public and Press**

It was unanimously decided to exclude all members of the public and press at this stage of the meeting.

**RESOLVED:**

THAT under Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, namely minute number 12, on the grounds that there is likely to be disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11. **Confidential Report of the Chief Internal Auditor**

Cllr Ann Bishop declared an Interest at this stage due to her employment with two local media organisations and left the meeting.

The Committee discussed a report that provided an Executive Summary of a sensitive internal audit report on the Swift system, a computer application used by Children's Services and Community Services Directorates to manage their social care case loads.

RESOLVED:

THAT the report be noted

12.

**Members Question Time**

There were no Members questions received.

CHAIRMAN.....Date.....