



# Minutes

Name of meeting	<b>AUDIT COMMITTEE</b>
Date and time	<b>TUESDAY, 21 APRIL 2009 at 6.00PM</b>
Venue	<b>COMMITTEE ROOM 1, COUNTY HALL, NEWPORT</b>
Present	Cllrs Colin West (Chairman), Anne Bishop, Ivan Bulwer, Mike Cunningham, Jonathan Fitzgerald-Bond, Colin Richards,
Officers Present	Jon Baker, Steve Beynon, Dave Burbage, Peter Oakeshott, Ged Richardson, April Ross, Phil Salmon, Claire Shand
Cabinet Members	None
Audit Commission	Kate Handy, Nick Rogerson, Kevin Suter,
Apologies	George Hook, Cllr Erica Oulton,

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61. **Minutes**

It was noted that there was a typographical error relating to minute 53 of the previous meeting held on [17 March 2009](#) and that the year should read 2009 and not 2008.

It was further noted that minute 57, item (iii) – Use of Resources 2007/2008 should read that the Comprehensive Area Assessment (CAA) would replace the Corporate Performance Assessment (CPA).

**RESOLVED:**

THAT, following the above amendments, the Minutes of the meeting held on 17 March 2009 be confirmed.

62. **Declarations of Interest**

There were no declarations received.

63. **Audit Commission Reports**

Members were presented with the following three items from the Audit Commission:

(i). Planning Service Inspection

The Committee were advised that the Inspection was a follow up carried out in October 2008 to an earlier review in February 2008. As a result of the latter inspection, the Councils Planning Services were awarded “a fair service that has uncertain prospects for improvement”.

Weaknesses identified in the initial inspection included unreliable planning advice, poorly managed enforcement, inadequate service to local people with long delays and poor value for money. However there were positive issues identified and these included, good reception services, an effective web site which provided good access to planning information, an above average appeals record in 2006/07, which suggested that sound decision making was taking place and it was found to deal with householder applications effectively.

As a result of the areas that needed working on, an improvement plan was put in place and actions were carried out.

The second inspection found that the Council had made a good start to addressing issues raised but more work still needed to be carried out to develop a strong and efficient service with actions still needing to produce satisfactory outcomes for customers in several areas. However, some areas of improvement had been achieved and these included dealing more effectively with day to day operational problems and increasing management capacity to address enforcement issues as well as increasing the corporate server capacity to address shortcomings within ICT. Training and various HR issues were also being addressed.

Members of the Committee were advised that on 23 April 2009, the Planning Enforcement Policy was due to be signed by the Cabinet Member for the Economy, Leisure, Planning & Property that would help address issues and enable the Councils Planning Department to be Central to the social and economic well being of the Island.

The Planning / Development Team Manager also advised members that the Planning Committee Meeting of the 28 April 2009 would be required to approve a report on new guidance notes on planning revisions and amendments that would give clear and robust guidance for the Members of the Planning Committee.

Personal Development Plans were also being put in place to help assess and improve individual staff performances and following the local election on 4 June 2009 all newly appointed Councillors would undergo training.

Members were advised that due to previous concerns raised with regards to the fragmented nature of the service, the Planning Department had been divided into two areas; these were Policy Control, which dealt with the context and Development Control, focussing on the delivery of key issues.

Members of the Committee raised some concerns about the outcome of the October 2008 assessment, in particular the Audit Commissions comments on the uncertainty for the Planning service to improve. It was felt that the report was contradictory by stating that building blocks were in place to support improvement. Members also raised concerns about the assessments apparent view that quantity of work was more important than the quality.

The Audit Commission responded by stating whilst there were signs that the service could improve, caution was being expressed due to previous improvements made that were not sustained. The Audit Commission also advised members that some aspects of the report did express concerns regarding issues of quality.

Members also expressed concerns that the previous inspection report was not brought to an earlier meeting. The Committee were advised that the Planning Service Inspection was not an annual occurrence and that a further assessment would be made when appropriate.

#### RESOLVED

THAT the report be noted.

(ii). Annual Audit Fee 2009/10 – Audit Commission Letter 30 March 2009

Members of the Committee were advised on the proposed work that the Audit Commission would undertake in 2009/10 financial year and the cost of it to the Council.

The Audit Commission were advised that due to the change in the Councils financial systems, there would be an increase in the fee for auditing the Financial Statements. There was also a rise in the area of Fire & Rescue Service. However, there were decreases in fees in the Use of Resources / Value for Money Conclusion by £34,000 as well as a slight reduction in the Whole of Government Accounts (WGA) and the total Audit Commission fee was £9,950 down on 2008/09.

#### RESOLVED

THAT the Annual Audit Fee 2009/10 - Letter be noted.

(iii). Annual Audit Fee IWC Pension Fund – Audit Commission Letter 30 March 2009

Members of the Committee were advised on the proposed work that the Audit Commission would undertake in 2009/10 financial year for the Isle of Wight Council Pension Fund along with the cost of it to the Council.

The planned fee would be £3,500 more than the previous year.

Whilst members accepted that the charges had to be met in order to receive a vital service, there was continued concern around the tardiness of previous reports from the Audit Commission as well as the non attendance from them at meetings in November 08 and February 09.

The Chief Executive expressed deep concerns that the reputation of the Council that was being put under pressure as a result of outdated reports being debated as well as a sentiment of staff and members feeling demoralised at the apparent lack of taking improvements into account in reports. Members of the Audit Commission had been made aware by the Chief Executive that whilst the Council was expected to improve its performance, so too should the Audit Commission improve its service.

The Committee also stated that previously, the Audit Commission would provide regular briefings to members on various issues in order to make everyone fully aware of progress being made. The Audit Commission therefore agreed to provide a brief progress report against plans on a quarterly basis.

**RESOLVED**

- i. THAT the Audit Commission provides to the Audit Committee a brief progress report against plans on a quarterly basis.
- ii. THAT the Annual Audit Fee IWC Pension Fund - Letter be noted.

**64. Whistle Blowing Complaints: October – December 2008 Quarter Three**

The Committee received an update on the Whistleblowing complaints received during the period October – December 2008.

It was noted that complaint numbers received continue to be low but Members were assured that all reasonable steps had been taken to ensure that every Council employee was aware of the procedure. Communication to employees has been undertaken in a variety of ways including reminders in the Vine (the Councils internal Communications forum to staff) as well as posters situated throughout the authority. Members were also advised that communication had also been enhanced as a result of the IOWNHS PCT becoming partners with the Council in the delivery of the confidential and independent reporting hotline.

Members suggested that the given the low level of reporting, this could be reduced to six monthly in the future. It was agreed that the next report would provide a full year review and proposals to the committee for future reporting arrangements.

**RESOLVED:**

THAT the Whistle Blowing Complaints report be noted.

**65. Annual Procurement Monitoring Report – Quarter Four 2008/09**

The Committee was presented with a summary of progress achieved by the Councils Procurement department towards establishing an improved structure of procurement activity across the Authority.

It was noted that there had been a change in the hierarchy of Procurement and the Head of Compliance had taken on the additional role of the Head of Procurement.

Members were advised that the Procurement Board meetings were held on a weekly basis and would consider all Letting Strategies and Award Report items over the value of £50,000 as well as requests to waiver internal contract standing orders. External regulations could not be waived under any circumstances.

The report provided a high level analysis of activity within the various directorates, defining and breaking down the number of papers that were presented to the Board.

With regards to Waiver requests, the Committee was advised that each request would need to be justified with a specific reason from a set list of categories. The

request, as with all procurement papers, would also be seen by the procurement team prior to presentation to the Procurement Board.

It was noted that one of the reasons, sole source of supply, would need to take into account the whole worldwide market and not just locally or nationally.

Members were informed that Contract Letting Strategies were required in order to provide a full audit trail that helped mitigate any risk to the Council. The Contract Award Report provided a summary of how a contract was procured and who it was awarded to.

The Council's Procurement Consultant advised the Committee that waivers were still an area that needed concentrating on and the volume (30 requests) considered by the Procurement Board during the third quarter of the year needed to be reduced for quarter four, although it was unrealistic to expect a total elimination of waivers.

The Committee was advised that the category of "Other" reason for waiver request was not one that was encouraged and would be used only in exceptional circumstances for reasons that fell outside the other categories. In quarter three, only a single request was presented to the Procurement Board with the nature being defined as "Other".

**RESOLVED:**

THAT the Annual Procurement Monitoring Report be noted.

**66. Draft Annual Governance Statement 2008/09**

The Chief Internal Auditor presented the Committee with the draft of the statutory statement for the financial year of 2008/09 and the final version would be taken to the Audit Committee meeting of June 2009.

The action plan of the statement contains actions that have been rolled forward from the previous year along with new actions necessary.

Members were advised that Health and Safety issue within the Implementation of Council Strategies and Policies was left in following consultation with the Lead Officer who deemed it necessary to remain.

The Chief Internal Auditor reported that the issue regarding the ICT disaster recovery facilities at Westridge was on course to be completed by the July/August deadline as outlined in the Action Plan under Business Continuity Planning.

**RESOLVED:**

THAT the Draft Annual Governance Statement be noted.

CHAIRMAN.....DATE.....