



Minutes

Name of meeting	AUDIT AND PERFORMANCE COMMITTEE
Date and time	21 JUNE 2007 at 6.00 pm
Venue	COMMITTEE ROOM 1, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	Cllrs Anne Bishop (Chairman), Ivan Bulwer, Mike Cunningham, Jonathan Fitzgerald-Bond, Erica Oulton (one vacancy)
Officers Present	John Barker, Chris Bentley, Steve Beynon, Andrew Carpenter, Stuart Fraser, George Hook, Anna Klonowski, Ged Richardson, Paul Thistlewood
Apologies	Cllr Geoff Lumley

1. **Minutes**

RESOLVED :

THAT the Minutes of the meeting held on [29 May 2007](#) be confirmed.

2. **Declarations of Interest**

There were no declarations received at this stage.

3. **Public Question Time**

No public questions received.

4. **Internal Audit Annual Review 2006-07**

The Committee reviewed the work of the Internal Audit section for 2006-07 and drew comparisons with work undertaken in 2005-06. Members were advised of the section's overall productivity, the actual time spent undertaking the work and an overall assessment of the annual audit plan.

Members noted that the service had improved considerably as a result of extra staffing resources being made available. Clarification was sought about the robustness and progress of the CorVu performance management system and the Committee was advised that senior management had established a process whereby Heads of Service now carried responsibility for the quality of data submitted, which should ensure future improvement.

The Committee was also advised that a Value for Money Officer had been recruited to the Internal Audit service.

RESOLVED:

- i. THAT the performance of the Internal Audit Services for the financial year 2006/07 be noted.
- ii. THAT the Chief Internal Auditor's opinion on the Statement of Internal Control and the overall control environment operating in the Isle of Wight Council during the financial year 2006/07 be noted.

5. The Role and Remit of the Audit and Performance Committee

The Director of Children's Services led a debate on the Committee's role and remit, in the light of the recent overall review of the Council's business system. Heads of Service and other senior managers would now be charged with the responsibility for a more strategic focus on corporate performance issues.

Some other gaps in performance management had been identified by officers, including a monitoring role for the Internal Audit Service. As part of this it had been suggested that a process be established to monitor recommendations arising from audits to ensure these were actually implemented.

A proposal to draw together the Quarterly Performance Management Report (QPMR), the local Best Value Performance Indicators (BVPs), and the Local Area Agreement (LAA) indicators had been put forward. In order to accommodate this a new cycle of meetings would be required. Under this proposed arrangement the Audit and Performance Committee would meet eight times per year and a number of these would fit in with the release of performance reports.

The Committee noted that a definitive list of indicators would be drawn up by the end of July 2007. Members raised concerns about a number of the indicators, including the omission of Homelessness, which was a statutory obligation. It was proposed that the Committee review the draft list and provide comment and recommendations to the appropriate Director and Cabinet Member.

RESOLVED:

- i. THAT the strategic role for performance management be noted.
- ii. THAT Members review the draft list of indicators prior to the end of July 2007 and make recommendations and comment to the appropriate Director and Cabinet Member.

6. **Statement of Accounts**

Cllr Cunningham declared a personal interest in the Tom Woolgar charity, mentioned on page 49 of the Statement of Accounts, as he was the Chairman.

Members considered the Council's draft Final Accounts for the year ended 31 March 2007 and noted that a number of changes had been made regarding the presentation and format, which were explained by the Programme Lead for Financial Management. Approval of the draft accounts was required by a non-executive committee by 30 June 2007.

The Committee was also advised that the Interim Director of Finance had not been appointed until May 2007, which resulted in reliance upon an assurance from existing staff to meet statutory requirements.

Members were made aware of revenue budget pressures experienced in 2007-08 and how these were managed through use of under-expenditure in other areas.

Capital slippage had occurred again and steps were being taken to overcome this in future through a regular monitoring process. Members were concerned that in cases where projects were grant aided, any delay could affect the overall ability to complete the scheme. In addition, the Committee noted a considerable reduction in the Council's deficit on the Pension Fund Reserve due to a combination of an interim actuarial valuation of the Fund and improved performance on the stock market.

RESOLVED:

- i. THAT the Committee should receive a breakdown of capital outturn for projects over £100,000 in the future.
- ii. THAT the draft Statement of Accounts for 2006-07 as signed off by the Interim Director of Finance, in accordance with the requirements of the Accounts and Audit (Amendment) (England) Regulations 2006, be approved.

7. **Statement of Internal Control**

The Committee discussed the Council's Statement of Internal Control (SIC), which had been presented in draft to the previous meeting. The Interim Head for Compliance advised Members of improvements to future reporting procedures. Members noted that an independent assessment of the Internal Audit Service had also been completed as part of the SIC process.

A number of internal control issues had been identified for improvement and progress would be monitored throughout the year with reports presented to Directors Team and the Audit and Performance Committee. In particular Members asked about procurement

procedures and were advised that a Contracts Review Board had been established and would continue throughout the year. A progress report could be provided for the Committee upon request.

The Scrutiny Committee had also recently agreed a report relating to the Use of Consultants which should be considered in relation to the procurement issues contained in the SIC. The Committee was advised that the issue raised at the last meeting about holiday homes had been included.

RESOLVED:

THAT the Statement of Internal Control be approved and recommended to the Leader of the Council and the Chief Executive.

8. Best Value Performance Plan

The Committee was advised that the Council had a duty to publish an annual Best Value Performance Plan by 30 June each year. The indicators were prescribed by the Audit Commission and Members noted a slight increase in the targets for the upper quartile and a significant reduction of indicators within the lower quartile.

Concerns were expressed about the compatibility between some of the indicators and service provision, including Waste issues and tourism figures.

RESOLVED:

- i. THAT the Best Value Performance Plan be recommended for adoption by Full Council on 18 July 2007.
- ii. THAT comments about some of the indicators used would be forwarded to the appropriate Directors.

CHAIRMAN