



Directorate of Legal and Democratic Services
Director **Davina Fiore**

County Hall, Newport, Isle of Wight PO30 1UD
Telephone (01983) 821000

Minutes

| | |
|------------------|--|
| Name of meeting | AUDIT COMMITTEE |
| Date and time | TUESDAY, 5 AUGUST 2008 AT 6.00PM |
| Venue | COMMITTEE ROOM 1, COUNTY HALL, NEWPORT. IOW |
| Present | Cllrs Colin West (Chairman), Ivan Bulwer, Mike Cunningham, Vanessa Churchman, Jonathan Fitzgerald-Bond |
| Officers Present | Jonathan Baker, George Hook, Ged Richardson, April Ross, Claire Shand |
| Cabinet Members | None |
| Apologies | Cllrs Barbara Foster and Barry Abraham |

20.

Minutes

Members were advised that the Report on the Undercliff Investigation that was noted to be brought to the meeting would now be brought together with a separate external Audit Commission Report to the Audit Committee Meeting on 16 September 2008.

RESOLVED:

THAT the minutes of the meeting on [23 June 2008](#) be agreed.

21.

Declarations of Interest

There were no declarations received.

22.

Public Question Time

There were no public questions received.

23.

Annual Severance Report

The Head of Human Resources highlighted to Members that this report was in response to the Audit Commission recommendation to provide members with an annual report to set out information relating to the costs associated with severance within the Isle of Wight Council.

It was explained that individual severance cases could not be discussed,

only the total costs and implications. Through agreed procedures, in the majority of cases, any savings made as a result of severance situations, would be withdrawn from individual budgets and would contribute to overall savings targets or be redistributed within the Council to underpin service improvements.

A policy was in place that prevented the re-employment of individuals either on a full, part time or consultancy basis within two years of severance, unless exceptional circumstances dictated otherwise. Such circumstances would be decided on a business case basis and be authorised by relevant senior officers that may include the Chief Executive, the Director of Finance and the Head of Human Resources.

Members were advised that regular monthly meetings now take place with the District Audit Manager to ensure that improvements can be made and to make regular review current cases.

In response to questions raised about the engagement of interim staff, who are not employees of the Council, the Committee were also advised that should there be reason for an Interim post to be terminated before the end of the contractual date, depending upon the contractual terms, there would be obligation on the Council to honour the terms of the agreed contract. However such circumstances were rare and members were informed that there were no cases at the present time.

RESOLVED:

THAT the report be noted

24.

Internal Audit Outcomes Report – Quarter One

The Chief Internal Auditor provided the Committee with a summary of the Internal Audit performance for the first quarter of 2008/09.

Members were advised that Table 1 of the report's appendix took into account the expected amount of annual leave that was being taken during the period. Later periods during the winter months would not be expected to include so much annual leave.

It was noted that 77% of the Audit Plan was completed. The balance of 23% was due to staff time spent completing planned audits from the previous financial year.

The Committee were advised that during Quarter 1, there was 47% assurance provided from the Audits completed. Areas that provided limited assurance were:

- Payroll
- Gershon Savings
- Local Public Service Agreements
- Contracts Management

However improvements to this assurance percentage were expected later in the year.

It was noted that the four recommendations accepted by management in response to the significant findings of the Local Public Service Agreement 2 outlined in the report would be provided to Members of the Committee by the Chief Internal Auditor.

Formal arrangements had been made in relation to petty cash handling and that these would be reviewed and revised in Autumn 2008. Once these have been completed, the petty cash issue would disappear from the auditor's agenda.

The Head of Compliance responded to members concerns over the recommendations made in relation to the administration of the Procurement Board and its need to improve.

The Procurement Board was established in July 2007 and has over the period continued to develop more robust and effective ways in which to manage the issue of Procurement within the Council. This includes meeting on a weekly basis and keeping full documentation and recording of all decisions made and would continue to take on board any recommendations made by auditing bodies.

The Chief Internal Auditor stated that the 12 recommendations which had either not been implemented or only partially implemented within the agreed timescales would continue to be monitored and that the relevant people responsible be requested to provide compliance.

76% implementation was short of the previous year's first quarter result, it was still a good result compared to many other Local Authorities and there was confidence that it would improve as the year progressed.

RESOLVED:

THAT the report be noted

25. **Risk Management Quarterly Report**

The Head of Compliance reported to Members that since Risk had been transferred to the auspices of the Scrutiny Committee, the role of the Audit Committee was to merely note the findings of the quarterly report.

It was agreed that future quarterly reports on Risk Management would contain more detail in order to keep the Audit Committee informed as well as receive quarterly updates on the areas of concern of the Scrutiny Committee.

The Head of Compliance reported that the Risk Management Strategy was undergoing a full review and the resultant policy would be brought to the Audit Committee Meeting of 16 September 2008 for adoption. The revised Strategic Risk Register that would form part of the joint

Performance and Risk report being presented to Cabinet on 9 September 2008 this would form the basis of a separate report of the Audit Committee on 16 September 2008.

RESOLVED:

THAT the report be noted

26. **Members Question Time**

There were no Members questions received.

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