



# Minutes

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| <b>Name of meeting</b> | <b>AUDIT COMMITTEE</b>  |
| <b>Date and time</b>   | <b>MONDAY 29 JULY 2019, COMMENCING AT 10.00 AM</b>  |
| <b>Venue</b>           | <b>COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT</b>   |
| <b>Present</b>         | Cllrs Brian Tyndall (Chair), Adrian Axford, Reg Barry, Paul Fuller, Chris Quirk   |
| <b>Also Present</b>    | Cllrs Steve Hastings, Stuart Hutchinson, Karl Love<br><br>Andrew Carpenter, Jo Cooke, Kerry Hubbleday, Dave Martin, John Metcalfe, Helen Miles, Geraint Newton, Paul Somerset, Jo Thistlewood, Megan Tuckwell<br><br>Helen Thompson, Dave White (Ernst and Young) |
| <b>Apologies</b>       | Cllr John Kilpatrick  |

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5. [Minutes](#)

RESOLVED:

THAT the Minutes of the meeting held on 20 May 2019 be confirmed.

6. [Declarations of Interest](#)

Cllr Brian Tyndall declared an interest in item 13 as a governor at various schools mentioned in the report.

7. [Annual Governance Statement](#)

The Cabinet Member for Resources presented the annual governance statement which outlined the review the Council's system of internal control and compliance with statutory requirements. Questions were raised regarding training requirements for staff and it was noted that HR Advisors meet with new managers to enable them to understand the council's policies. It was clarified that this is available to all managers, not exclusively new managers. The Committee expressed support for the statement subject to minor grammatical amendments.

RESOLVED:

THAT the Annual Governance Statement for 2018-19 be approved.

## 8. Reports of the Internal Auditor

### (a) [Internal Audit Progress Report](#)

The Deputy Chief Auditor presented the report which summarised the activities of the internal audit for the period May 2019 to July 2019. Questions were raised regarding the fees listed in the progress plan and it was clarified that the figures were indicative.

RESOLVED:

THAT the progress report be noted.

### (b) [Isle of Wight Council - Annual Internal Audit Report 2018-19](#)

The Deputy Chief Auditor presented the report which summarised the internal audit work undertaken for the year ended 31st March 2019. Concerns were raised regarding audit resource and capacity. It was advised that an update would be provided in due course regarding disaster recovery.

RESOLVED:

THAT the Annual Internal Audit Report 2018-19 report be noted.

## 9. Reports of the External Auditor

### (a) [Isle of Wight Council - Audit Results Report Year Ended 31 March 2019](#)

The Committee considered the report which outlined the preliminary conclusion of the audit of Isle of Wight Council for 2018/19. The external auditors confirmed that they expected to issue an unqualified audit opinion on the financial statements before 31 July 2019. No concerns were raised regarding economy, efficiency, and effective use of resource.

RESOLVED:

THAT the Isle of Wight Council audit results report be approved.

### (b) [Isle of Wight Pension Fund - Audit Results Report Year Ended 31 March 2019](#)

The Committee considered the report which outlined the external auditors' draft audit results report of the Pension Fund. Cllr Axford advised that the draft results had been considered by the Isle of Wight Pension Fund Committee and provided clarity regarding the implications of the McCloud ruling to the Council.

RESOLVED:

THAT the Isle of Wight Pension Fund audit results report be approved.

**10. Approval of the Final Accounts**

The Assistant Director of Finance and the Principal Accountant (Corporate) presented an update on the Financial Statements 2018-19, including; the legislative background, an overview of the financial statements, revenue budget performance, service budget performance, comparison with the budget and comparison with 2017-18, and council reserves. Concerns were raised over the timeliness of the report and it was clarified that adjustments were made due to the McCloud ruling.

RESOLVED:

THAT the 2018-19 Statement of Accounts be approved.

**11. Treasury Management Annual Report 2018-19**

The Pension Fund & Treasury Management Accountant presented the report which set out the 2018-19 performance, the Council's cash flow, its investment and borrowing strategy, and performance compared to the Treasury Management Strategy. Questions were raised over the benchmarking service and it was confirmed that the provider was procured following a competitive tender exercise. Discussion took place regarding readiness for Brexit and investment in UK funds.

RESOLVED:

THAT the performance for the year ended 31 March 2019 against the treasury management indicators, and any issues to be addressed in 2019-20, be noted.

**12. Procurement Half-Yearly Report**

The Assistant Director of Corporate Services presented the report which provided a high-level overview of the Council's procurement and contract monitoring activity for the period 1 October 2018 to 31 March 2019. Questions were raised regarding waivers and the Procurement Board, the contract monitoring framework, and progress with the delivery of training.

RESOLVED:

THAT the procurement half-yearly report be noted.

**13. The Council's Risk Profile**

The committee took the opportunity to review the current position with regard to the Council's strategic risks. Concerns were raised with regards to underfunding and its potential impact on identifying vulnerable children. It was clarified that if the Director of Childrens Services felt this was necessary then it would be looked into.

RESOLVED:

THAT the strategic risks of the council be approved.

CHAIRMAN