

Division(s):

AUDIT & GOVERNANCE COMMITTEE – 22 JULY 2020
REPORT OF THE AUDIT WORKING GROUP – 24 JUNE 2020

Report by Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the report.**

Executive Summary

2. The Audit Working Group met on 24 June 2020. The group received two internal audit reports of Childrens Controcc Payments and Adults Direct Payments. The group considered the draft Annual Governance Statement and reviewed the Corporate Lead Statements.

Introduction

Attendance:

Full Meeting: Chairman Dr Geoff Jones Councillors: Nick Carter, Roz Smith, Deborah McIlveen and Charles Mathew.

Ian Dyson, Assistant Director of Finance; Sarah Cox, Chief Internal Auditor, Lucy Tyrrell, Committee Officer, Lorna Baxter, Director of Finance, Steve Jorden, Corporate Director Commercial Development, Assets and Investment,

Part Meeting:

Cllr Glynis Phillips, Katherine Kitashima, Audit Manager, Tessa Clayton, Audit Manager, Glenn Watson, Principal Governance Officer, Sarah Smith, Access & Disclosure Officer, Jane Portman, Interim Director of Childrens Services, Lara Patel, Deputy Director for Safeguarding, Hannah Farncombe, Deputy Director for Childrens Social Care, Karen Fuller, Deputy Director for Adults Social Care, Stephen Chandler, Corporate Director of Adults and Housing.

Matters to Report:

AWG 20.03 Childrens Controcc Payments

3. The 2019/20 audit of Childrens Controcc Payments has recently been finalised (May 2020), with an overall grading of Red. The audit identified issues with the integrity of data and accuracy of payments, following the implementation of the new system in June 2019. The group considered the full audit report. Officers attended to provide the group with background to the implementation of the new system and provide an update regarding the agreed action plan, including immediate actions already taken and those now actively in progress.

4. The group expressed their concerns regarding the significance of the findings within the audit report and the risk of errors with payments made. However, acknowledged the work already in progress to address these issues, including the improvements to guidance, appointment of Champions within the teams, clear messaging to staff and the extension of ICT contractor support to address data integrity and provide end user support and training. The group noted the intended improvements that will be delivered through the already planned Finance Functions project, which is now in staff consultation phase. The proposal is to centralise the function of children's and adult's payments, with data quality a key outcome of the project.
5. The AWG have asked that officers return to the October 2020 meeting, to report progress on the implementation of the agreed actions. There is a planned follow up audit for quarter 4 of 2020/21.

AWG 20.04 Draft Annual Governance Statement, including Corporate Lead Statements

6. Glenn Watson presented the draft Annual Governance Statement and Corporate Lead Statements for 2019/20. The group reviewed and offered comments on the Corporate Lead Statements which have been previously reviewed and challenged through the Corporate Governance Assurance Group (CGAG). The Group reviewed the draft Annual Governance Statement and action plan, noting that the format had been revised in accordance with latest Cipfa guidance.
7. The Group were satisfied with the processes in place to produce the Annual Governance Statement. The Annual Governance Statement will be presented to the July Audit & Governance Committee.

AWG 20.05 Adult Direct Payments

8. The 2019/20 audit of Adults Direct Payments has recently been finalised (June 2020), with an overall grading of Red. The audit noted a number of weaknesses in the current arrangements, which are fragmented and complex – with different internal teams and external providers included in the Direct Payment setup, monitoring and payment arrangements. Sample testing highlighted gaps in processes with the potential for incorrect payments. The group considered the full audit report.
9. Officers attended to provide the group with their response to the audit report and how the action plan is been managed. Key priorities include the design and implementation of a new model to deliver an efficient and effective system of operation, strengthen the promotion of online accounts, alongside other choice options and as noted above under Children's Controcc, deliver improvements through the already planned Finance Functions Project, introducing a central payments team for childrens and adults.

10. The group expressed their concerns that a number of the process issues highlighted in this audit had been previously raised in earlier audits of Direct Payments and that the issues raised have not been sufficiently addressed. The group noted the significance of the findings within the report, however acknowledged that a detailed plan to address these was now in place, which has robust oversight of the Corporate Director and Deputy Director to ensure effective implementation.
11. The AWG have asked that officers return to the December 2020 meeting, to report progress on the implementation of the agreed actions.

LORNA BAXTER
Director of Finance

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June 2020.
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Date of next AWG meeting Wednesday 9 September 2020 at 14:00

Agenda items for AWG September meeting:

- Annual Whistleblowing Report
- Internal Audit Update
- Oxford City Agency Agreement Update
- S106 Update
- Security Bonds Update