



Audit & Governance Committee Wednesday, 8 November 2017

ADDENDA

10. Audit Working Group Report (Pages 1 - 4)

The report has been revised with the addition of the second paragraph under the heading **AWG 17.26 Update on S106 Audit**.

4.40pm

This report presents the matters considered by the Audit Working Group Meetings of 6 September 2017 and 18 October 2017.

The Committee is RECOMMENDED to note the report.

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AUDIT and GOVERNANCE COMMITTEE – 8 NOVEMBER 2017

REPORT OF THE AUDIT WORKING GROUP (AWG)

The Audit Working Group met on Wednesday 6 September 2017 and Wednesday 18 October 2017. Routinely a report from the Audit Working Group is presented to the Audit & Governance Committee; however, the September meetings of both the Committee and Audit Working Group were on the same day. This was due to establishing the new committee and members of the working group. Therefore this report combines an update from both meetings.

Wednesday 6 September:

Attendance:

Full Meeting:

Chairman Dr Geoff Jones; Cllr Nick Carter; Cllr Roz Smith; Cllr Helen Evans; Cllr Ian Corkin; Ian Dyson, Assistant Chief Finance Officer (Assurance); Sarah Cox, Chief Internal Auditor; Joanne Hilliar (minutes)

Part Meeting:

Glenn Watson, Principal Governance Officer, Karen Fuller & Benedict Leigh, Deputy Directors Adult Social Care.

Matters to Report:

AWG 17.18 Update on Mental Health

The group had previously considered the audit of Mental Health which has an overall grading of Red. Karen Fuller and Benedict Leigh, Deputy Directors from Adult Social Care attended to provide the group with a further update on implementation progress. There is a strategic review currently in progress of the governance and structural arrangements, working with the provider, which will outline the future options for delivery for MH social work.

Significant work has been undertaken to improve the governance and control processes. The comprehensive review of S117 service users has been completed. Performance dashboards are now established and reviewed weekly. OCC approve all care packages which is providing consistency over approval and eligibility of service provision and from the 1 September OCC are now commissioning all new care packages and are responsible for the full quality monitoring and accreditation of providers.

The group asked for an update, once the strategic review has been concluded, officers have been invited back to the February 2018 meeting.

AWG 17.19 Whistleblowing Annual Report - Glenn Watson

The group was presented with the Whistleblowing Annual Report and reviewed the incidents reported. It was noted that the Council does have other governance

procedures which also address issues with "whistleblowing elements" but are dealt with under those procedures such as Corporate Complaints, Statutory Social Care Complaints and Councillor Complaints.

AWG 17.20 Internal Audit Update

The group received an update from the Chief Internal Auditor on progress against the Internal Audit Plan and the Counter Fraud Plan.

No material issues were highlighted since the last Audit Working Group. Reports graded red status from 2016/17 of Capital Programme and Mental Health continue to be monitored by the AWG.

However it was highlighted to the group at the meeting that the audit of S106 is near completion, findings are now to be confirmed with management. The initial conclusion is graded as red. The report will be presented to the 18 October AWG.

Wednesday 18 October:

Attendance:

Full Meeting:

Chairman Dr Geoff Jones; Cllr Tony Iltott; Cllr Roz Smith; Cllr Helen Evans; Cllr Ian Corkin; Ian Dyson, Assistant Chief Finance Officer (Assurance); Sarah Cox, Chief Internal Auditor; Katherine Kitashima, Principal Auditor, Georgina Cox (minutes)

Part Meeting:

Cllr Yvonne Constance, Bev Hindle, Strategic Director Communities, Alexandra Bailey, Director, Sue Halliwell, Director, Anthony Connelly, Risk Management Lead, Steven Jones, Performance Management Lead.

Matters to Report:

AWG 17.25 Update on Capital Programme Audit

The group had previously considered the audit of the Capital Programme which had an overall conclusion of Red. Bev Hindle, Strategic Director, Alexandra Bailey Director and Ian Dyson (on behalf of Lorna Baxter, Director of Finance) attended to provide the group with a further update on implementation progress.

The group acknowledged the work undertaken with the termination of various elements within the property contract and how the change is being managed. The group were also updated on the developments of improvements to the governance structure, internal governance processes and how they are embedding strong project management disciplines. Officers will be invited back to the April 2018 meeting so the group can review progress with the improvement plan.

AWG 17.26 Update on S106 Audit

The report of the audit of S106 was agreed and finalised at the end of September 2017 and has the overall grading of Red, due to the weaknesses identified with the governance arrangements and internal control processes. Officers were therefore invited to the Audit Working Group so the full internal audit report could be considered. Bev Hindle, Strategic Director and Sue Halliwell, Director both attended.

The group noted a specific weakness within the report in relation to the absence of key decisions being recorded. The group agreed with the officers the importance of protecting staff from allegation of fraud and corruption by ensuring key decisions and discussions are clearly documented.

The group were satisfied with the action plan in place for improvements and timescales involved. Officers will be invited back to the February 2018 meeting to report back on implementation of the agreed actions.

AWG 17.27 Risk Management Update

The Assistant Chief Finance Officer (Assurance) presented an update on risk management, which included for information the Business Management Report which is presented to CCMT and Informal Cabinet, highlighting the key risks within the organisation. The group noted the positive steps being made to align risk and performance reporting through the Business Management Report.

The group noted that further work is being undertaken regarding the strategic risk summary, work with each of the directorates to provide more support and challenge and also specific risk management process reviews.

The group suggested that it would be useful if officers could schedule a training session for all members of the Audit & Governance Committee on Risk Management.

AWG 17.28 Finance Update

The group received an update from Ian Dyson, Assistant Chief Finance Officer (Assurance) on current developments within the Council which Finance are involved with supporting.

Work is ongoing around duplicate payments, production of the debt management strategy and the BDU (bulk data upload). The group have asked for a paper to be presented to the December meeting setting out current issues and the action planned to address.

Date of next meeting Wednesday 6 December 2017 at 10:00am

Recommendations

The Committee is RECOMMENDED to note the report.

Lorna Baxter
Chief Finance Officer

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