

# **AUDIT and GOVERNANCE COMMITTEE – 20 November 2013**

## **REPORT OF THE AUDIT WORKING GROUP (AWG)**

The Audit Working Group met on 10 October 2013

The meeting was attended by:

Dr Geoff Jones – Chairman; Cllr Wilmshurst; Cllr Mathew; Peter Clark; Lorna Baxter; Eira Hale, and Ian Dyson

Part meeting only: Cllr Roz Smith; Mark Kemp, Deputy Director – Commercial; Jeremy Hollard, Quantity Surveyor; Steve Thomas, Performance & Information Manager; Neil Shovell, Audit Manager; Paul Beasley, Senior Auditor

Observer: Cllr Dhesi; Cllr Pressel; Cllr Stratford; Cllr Godden;

Main business items of the meeting were as follows:

### **AWG13.33 Highways Contract**

The Deputy Director - Commercial, attended the meeting to update the Group on the governance and due diligence process that has been followed in managing the change in the delivery of the Highways Contract. The contract itself has not changed, in that it remains with Atkins; however the operations and therefore the benefits of the contract have been assigned to Skanska. The Group heard from both the Deputy Director, and the Head of Law and Governance, that the safeguarding of the councils interests had been positively resolved through a robust change management process.

It was noted that the Performance Scrutiny Committee are currently looking at the performance of the Highways Contract. Cllr Stratford, also a member of the Performance Scrutiny Committee, will bring to the attention of the Audit and Governance Committee, any governance or internal control issues or concerns should they be identified through the scrutiny review.

### **AWG13.34 Risk Management Update**

The Group noted the most recent performance and risk report. There are no matters to be highlighted to the Committee.

The Group was informed of changes in the corporate management arrangements for the following business processes:

Alexandra Bailey has transferred to E&E but retains corporate responsibility for Programme and Project Management;

Maggie Scott has corporate responsibility for Performance Management; and,

Ian Dyson has corporate responsibility for Risk Management.

The Group will receive a report in December setting out the new arrangements and any changes to operations.

### **AWG13.35 CEF Risk Management**

This was the first of a cyclical review of the risk management processes adopted by Directorates. It was noted that the risk registers are not yet fully populated; risks have been identified and scored, but further work is planned to record the mitigation, and actions plans to achieve the target risk scores. It was also noted that further work is needed to link the risk register with projects in CEF.

The Group discussed the importance of tracking the movement of risks within the register as assurance that the risks are being managed. It was agreed that in addition to the quarterly performance and risk report, the Group should also receive a report highlighting new risks; material changes in risk rating; and, status of actions where target scores for risks have not yet been achieved.

Members on the Group suggested that risks on the risk register should be referenced to make it easier for highlighting those that are directly within the control of the Council from those where the Council has no direct management responsibility, but nevertheless has a reputational risk. Officers agreed to give this further consideration, reporting back to the meeting in December.

### **Recommendations**

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

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Chief Finance Officer

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