

AUDIT and GOVERNANCE COMMITTEE – 19 November 2014

REPORT OF THE AUDIT WORKING GROUP (AWG)

The Audit Working Group met on 6 November 2014

The meeting was attended by:

Dr Geoff Jones – Chairman; Cllr Wilmshurst; Cllr Lovatt; Cllr J Hannaby; Lorna Baxter; Peter Clark and Ian Dyson.

Part meeting only: AWG14.18 Kate Terroni, Andrew Colling and Sarah Cox; AWG 14.19 Alexandra Bailey; AWG14.20 Neil Shovell.

Observers: Cllr Hards

Apologies: Cllr R Smith

Matters to report:

AWG 14.18 Residential and Home Support Payment Process.

The Internal Audit report was presented to the Group. The report gives an overall opinion of "Red" for home care support payments as the system was found to be weak and open to the risk of error or abuse without adequate detection or escalation; the overall opinion for residential care was "Amber".

This was a financial audit; however the processes cross over into contract management, and the findings also highlighted potential issues in relation to care provision, which was a key concern for the Group. The Deputy Director and the Contracts and Quality Service Manager attended the Group and acknowledged the weaknesses highlighted in the report. The Officers set out the actions they have taken, including an assessment of the potential financial exposure created by the current weaknesses. It was acknowledged the overall exposure when compared to total spend is low; however, the Officers confirmed that the current performance was not accepted, and that prompt actions are being taken.

It was agreed that the Chief Internal Auditor would provide an update on progress to the meeting in January, and that Officers would attend the AWG in April 2015 to provide the Group with evidence the actions taken have been effective.

AWG14.19 Integrated Transport Unit (ITU)

The Service Manager Business Development and Fleet, gave a presentation to the Group setting out the current management actions that are being taken to improve the governance and efficiency of the ITU. The focus of the presentation was on the internal transport provision. The management actions were a combination of those arising from an internal review; internal audits previously reported to the AWG; and, reviews by the Health and Safety team.

The Group was very pleased with the management action being taken and in particular the positive results achieved including where better route planning has generated efficiency savings. It was noted there is further work to be completed on the actions, and that the management team are working closely with Internal Audit.

The Chief Internal Auditor stated there is an audit currently in progress within ITU, the scope of which extends across the full provision of services.

AWG14.20 Local Enterprise Partnership (LEP)

The Group previously received a report from the Chief Internal Auditor identifying unresolved governance issues between OCC and the LEP. An update was provided by Internal Audit, and the Chief Finance Officer was also able to reassure the group that there is a very good working relationship with the LEP including them providing information when requested. The issues highlighted in the original report are no longer significant; however, for clarity and good governance it was agreed that the key documents, the service level agreement, and the memorandum of understanding need to be updated and signed by both parties.

The Chief Finance Officer briefly explained the various funding streams through the LEP and the role of OCC as the accountable body. The Group suggested this needed to be set out in detail, including the key risks for OCC and how they are mitigated. It was agreed this should be a topic for a presentation at the development session held before Audit and Governance Committee meetings. A date of 25 February was agreed; the Chief Finance Officer will lead the presentation.

AWG14.21 Procure to Pay process - Performance Targets

Following a previous update on the outcome of the Procure to Pay project it was noted that existing performance targets were to be amended. The Group requested to see the revised targets. The report set out the targets and highlighted that no future investment was to be undertaken in existing processes as this is an area in scope for the partnership with Hampshire County Council. The Group acknowledged the position, and noted the report.

AWG14.22 Internal Audit Update

The key issue for Internal Audit remains resourcing. The Chief Internal Auditor highlighted that an appointment has been made for a Senior Auditor at Buckinghamshire County Council that will enable a small reduction in the number of days OCC staff are delivering under the collaboration this year. In addition up to 100 audit days are being procured from Hampshire County Council, and discussions are currently being held with an external provider for a further 150 days on a secondment basis; however this has not yet been confirmed.

Until this resource is secured a full revision of the Internal Audit plan cannot be completed; however the audit activity on financial systems is resourced and will commence in Q4. An assurance process for the key governance systems has been designed, and is being discussed with Senior Managers to be undertaken in Q4. The process will be a series of risk assessments by managers across Directorates, followed up with a controls assessment interview conducted by Internal Audit, and limited testing to validate the responses.

An update on resources will be provided at the Audit and Governance Committee, and it is expected that a revised assurance based plan will be presented to the Committee at the meeting in January 2015.

The Committee is RECOMMENDED to note the report.

Lorna Baxter
Chief Finance Officer

Contact: Officer: Ian Dyson, Chief Internal Auditor Tel 01865 323875
ian.dyson@oxfordshire.gov.uk

November 2014

AUDIT WORKING GROUP
TIMETABLE AND WORK PROGRAMME 2014/15

11 December 2014 - 14:00 - 16:00

- Risk Management Report - Ian Dyson
- EE Risk Register - Phil Alderton/Rikke Hansen (TBC)
- CEF Risk Management - Steve Thomas

12 February 2015 - 14:00 - 16:00

- Internal Audit Report - Ian Dyson
- Risk Management Report - Ian Dyson
- Draft Work Programme 2015/16 - Ian Dyson
- Review of AWG Terms of Reference - Ian Dyson
- SCS Risk Register - Steve Thomas
- Public Health Risk Register - Alan Rouse

09 April 2015 - 14:00 - 16:00

- Indicative Annual Governance Statement actions for 2015/16 - David Illingworth
- Update on Residential and Home Support Payments - Kate Terroni / Andrew Colling
- Internal Audit Progress Report - Ian Dyson
- Risk Management Report - Ian Dyson
- C EX Risk Register - Eira Hale
- Oxfordshire Fire & Rescue Service Risk Register - Simon Belcher
- Whistleblowing Incidents 2014/15 - Peter Clark

Wednesday 22 April 2015 13:00 - 14:00

- Private meeting with Ernst and Young - 22 April 2015

11 June 2014 - 14:00 - 16:00

- Draft Annual Governance Statement
- Internal Audit Report - Ian Dyson
- Draft Internal Audit Report - Ian Dyson
- Risk Management Report - Ian Dyson

Note - Private meeting with Chief Internal Audit date to be determined.