

AUDIT and GOVERNANCE COMMITTEE – 18 November 2015

REPORT OF THE AUDIT WORKING GROUP (AWG)

The Audit Working Group has met twice since the last Audit & Governance Committee; 15 October 2015; and, 5 November 2015.

15 OCTOBER 2015

The meeting was attended by:

Dr Geoff Jones – Chairman; Cllr D Wilmshurst; Cllr N Hards; Nick Graham; and Ian Dyson.

Part meeting only; AWG 15.20, Sue Scane, Jim Leivers, Mark Kemp, and Alexandra Bailey; AWG 15.21, Martyn Ward; AWG 15.22, Neil Shovell.

Matters to Report:

AWG 15.20 Management Update - Transport Safeguarding

The Group received a detailed report, presented by the Senior Managers, setting out the actions that have been implemented, and the status of the on-going actions. The Group was informed of the complexity in dealing with the issues highlighted following the internal audit, but noted evidence that the Directorates are working well together agreeing on risk and priority. It was acknowledged that there remains risk in the systems and processes, but that good progress is being made. It was also acknowledged that the information gained from the work undertaken has made it clear the original target dates for completing all actions were too optimistic, and the Group has accepted the management rationale for revising the implementation dates.

AWG 15.21 Management Response - Disposal of ICT Equipment

The Service Manager ICT presented a report highlighting the management action taken following the internal audit of Disposal of ICT Equipment. The manager confirmed that immediate action was taken to cease the arrangements for disposal of ICT equipment, and that tenders are being invited for a new contract. The Group noted that the actions being taken have mitigated the risk exposure highlighted in the audit.

AWG 15.22 Risk Management Update

The Group noted the report, which included risks escalated to CCMT in the Q1 Business Management Report. The Group was updated on the progress with revising the Corporate Risk Register, which is now scheduled for completion by end of December 2015.

5 NOVEMBER 2015

The meeting was attended by:

Dr Geoff Jones – Chairman; Cllr D Wilmshurst; Cllr S Lovatt; Cllr R Smith; Cllr N Hards; Lorna Baxter; Nick Graham; Ian Dyson; and Sarah Cox

Part meeting only; AWG15.26 and AWG15.26, Seona Douglas, Ben Threadgold, Sarah Fogden; AWG 15.30 Belinda Dimmock-Smith; AWG 15.31, Steve Thomas, and Gill Halstead.

Matters to report:

AWG 15.26 Management Update - Client Charging

At the request of the AWG, the Deputy Director provided a report on the outstanding management actions from the 2014/15 internal audit. The Group accepted the explanations provided in the report, noting the actions will be completed and addressed by the implementation of the new social care management system, due to go live in November 2015. The Chief Internal Auditor confirmed an audit of client charging will be undertaken in Q4 that will provide some assurance over the effectiveness of the management actions since the last audit.

AWG 15.27 Internal Audit of Direct Payments

The Audit Manager presented a final draft of the executive summary from the current internal audit of Direct Payments. Although not yet finalised, the overall opinion from the audit is "red". The scope of the audit looked at the systems and processes for the monitoring of Direct Payments, following concerns identified by senior management when reviewing existing direct payment cases. The audit identified weaknesses in the systems and processes, and the management controls designed to provide assurance that direct payments are being used effectively and appropriately. The Group received positive assurance from the Deputy Director and the Finance Business Partner that a number of actions have already been taken, including a panel review of all new direct payment care plans, and existing high value direct payments; however they also noted management comments that the findings in the audit has highlighted a need to improve skills and awareness within the teams operating the systems and processes. The Audit Manager stated that a further audit looking at the end to end processes of the Direct Payments system is to be undertaken in Q1 2016/17. The Group agreed to wait for the outcome of that audit before hearing further from the Deputy Director.

AWG 15.29 Internal Audit Update

The Group noted the report.

AWG 15.30 Corporate Services Risk Management

The Group reviewed a sample of risk registers from Corporate Services and received a report setting out how risks are managed and escalated within Corporate Services. This was the first time the AWG has received this from Corporate Services; they had not receive any reports when previously the Chief Executive's Office. It was noted in the sample of risk registers that different formats are being used, and that it was not easy to see the progress of the risk mitigation. The Group accepted that the process for risk monitoring and escalation at the Corporate Services Leadership Team level is being developed as it is a new management unit. A further review has therefore been scheduled for six months.

AWG 15.31 CEF Risk Register

The CEF Risk Management lead presented the latest risk register. The Group was happy with the risk management process, but queried how cross cutting risks relating to new legislation and requirements on the Council are being reported; for example, female genital mutilation and modern day slavery. The Chief Internal Auditor agreed that these were areas that should be included in risk reporting, but the current practices and procedures lead Directorates to report on their specific

AG11

risks rather than cross cutting activity. The Group agreed this needs to be picked up and addressed through the review of the risk management policy and procedures currently being undertaken by the Business Assurance Team in Corporate Services.

RECOMMENDATION

The Committee is RECOMMENDED to note the report.

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