

AUDIT & GOVERNANCE COMMITTEE – 20 APRIL 2016

REPORT OF THE AUDIT WORKING GROUP (AWG)

The Audit Working Group met on Thursday 7 April 2016

The meeting was attended by:

Chairman Dr Geoff Jones; Cllr David Wilmshurst; Cllr Sandy Lovatt; Cllr Roz Smith; Cllr Nick Hards; Cllr Jenny Hannaby; Ian Dyson, Chief Internal Auditor; Nick Graham, Chief Legal Officer and Monitoring Officer; Joanne Hillier (minutes).

Cllr Lawrie Stratford, Cabinet Member for Finance attended the meeting as an observer.

Part Meeting:

AWG 15.50 Sandra Pearce, Transport Hub Manager and Andy Ball, Programme Delivery Manager; AWG 15.52 – AWG 15.55 Neil Shovell, Audit Manager.

Apologies:

Lorna Baxter, Chief Finance Officer

Matters to Report:

AWG 15.50 Transport Safeguarding

The Group was pleased to note the progress made, and that systems are operating well with good management oversight providing assurance. The Group acknowledged that the scope of the work had been extended to working with the Licensing Authorities to promote safeguarding standards and the development of safeguarding practice and procedures. The improvement plan remains on-going, but the Group was content with the governance in place. A further report was requested in six months.

AWG 15.51 Corporate Finance Restructure

Ian Dyson updated the Group on his new role of Assistant Chief Finance Officer (Assurance). In taking this role Ian Dyson will be relinquishing the role of Chief Internal Auditor. On an interim basis that role will be undertaken by Sarah Cox, Audit Manager.

AWG 15.52 Risk Management Update

A new Risk and Assurance Policy has been drafted and is currently being consulted on with Directorate Management Teams. The Policy will be presented to the Audit and Governance Committee at the July meeting.

The Group reviewed the Q3 CCMT Risk Report that was provided for information, and discussed how it wanted to review the system of risk management in 16/17. It was agreed that the cyclical presentations by the Directorate Risk Leads over the past two years gave them assurance that the system is well established, and so

have now decided to review specific risks in more detail. The Transport Infrastructure risk included in Q3 report was selected as the first one to be considered in depth at the September meeting.

AWG 15.53 – AWG 15.55

**Key Financial Systems – design of control
Business Data Upload Review
Purchasing Cards**

These three items all related to financial systems and were considered together in a general discussion. There was a consistent underlying issue of unacceptable financial control including management oversight caused by a current lack of effective management information. It was reported there was no evidence of loss or error, but the current system of control does not provide assurance going forward. It is understood that the Internal Audit Progress Report, to be received by the Committee in April, will set out a summary of the key issues. The Assistant Chief Finance Officer (Assurance) post has been created to deliver an improvement plan for financial control and system of assurance. The Group is highlighting this to the Audit & Governance Committee as a significant concern, and is recommending that the Committee receives a detailed project plan and routinely receives progress reports until satisfied the improvements have been delivered.

The date of the next meeting is Thursday 26 May 2016, 2:00-4:00.

The Committee is RECOMMENDED to:

- (a) note the matters being reported;**
- (b) require a detailed financial control improvement plan from the Assistant Chief Finance Officer, and routinely monitor progress against that plan.**

LORNA BAXTER

Chief Finance Officer

Contact: Officer: Ian Dyson, Assistant Chief Finance Officer (Assurance) Tel
01865 323875

ian.dyson@oxfordshire.gov.uk