

Division(s): N/A

AUDIT and GOVERNANCE COMMITTEE – 13 July 2016

Report of the Audit Working Group (AWG)

Report by Chief Finance Officer

The Audit Working Group met on Thursday 26 May 2016

Attendance:

Full Meeting:

Chairman Dr Geoff Jones (GJ); Cllr Sandy Lovatt (SL); Cllr Roz Smith (RS); Cllr Nick Hards (NH); Cllr David Wilmshurst (DW); Nick Graham (NG) Chief Legal Officer and Monitoring Officer; Richard Smith (RS) GM Organisational Assurance Manager; Ian Dyson (ID) Assistant Chief Finance Officer (Assurance); Sarah Cox (SC) Interim Chief Internal Auditor; Joanne Hilliar (minutes)

Part Meeting:

Glenn Watson (GW) Principal Governance Officer

Matters to Report:

AWG 15.60 Fire and Rescue Statement of Assurance 2015/16

1. The Fire and Rescue National Framework for England (the Framework) sets out a requirement for fire and rescue authorities to provide an annual statement of assurance on financial, governance and operational matters and to show how they have due regard to the requirements of the Framework and the expectations set out in authorities' own integrated risk management plans.
2. This statement of assurance feeds into the overall OCC Annual Governance statement. RS who presented the report to the AWG explained that he attends the Corporate Governance Assurance Group.
3. The Group reviewed the Fire and Rescue Statement of Assurance, in particular considering areas of the report which commented on risk management, structures, performance targets and response standards, legal responsibilities and likely changes to the inspection regimes.
4. The Group thanked RS for the report and accompanying presentation. The report will be finalised and made available on the website.

AWG 15.61 Corporate Lead Statements & AWG 15.62 Draft Annual Governance Statement

5. The Group considered both of these items jointly, which were presented by NG. The Group reviewed both reports in detail and discussed how the Corporate Lead Statements are produced and then reviewed and challenged through the Corporate Governance Assurance Group who then identify from

these statements any weaknesses in the control environment for further monitoring. The Group noted that forming the Annual Governance Statement is an iterative process and that key officers attend the Corporate Governance Assurance Group and meet regularly to review and produce this.

6. The Group noted a new area within the Corporate Lead Statements is the Clinical Governance Statement. The Group reviewed the Annual Governance Statement action plan and had detailed discussions in areas such as Health and Safety. A particular issue was noted going forward now that schools have been delegated the budgets for Health & Safety, regarding advice that schools will require and assurance that money is targeted at the correct priorities in this area. It was agreed this would need to be discussed further at the Corporate Governance Assurance Group.
7. The Group were satisfied with the processes in place for the production of the Annual Governance Statement.
8. The Annual Governance Statement is due to be published during mid-June with the draft accounts, to be finalised in September.

AWG 15.63 Interim Annual Report 2015/16

9. ID presented the Interim Annual Report, which was co-authored by SC, Audit Manager (and Interim Chief Internal Auditor from 1 April 2016). ID explained the overall opinion of "qualified assurance".
10. The Group discussed some of the key issues around the weaknesses with OCC financial processes.
11. The Group noted that outstanding internal audit work would be completed before the July Audit & Governance Committee meeting. The Final version of the Annual Report will be presented then. There will also be a report back to the July Committee meeting from ID in his new role as Assistant Chief Finance Officer (Assurance) on the Financial Improvement Plan.

AWG 15.64 Internal Audit Strategy and Plan 2016/17

12. SC presented the draft Internal Audit Strategy and Plan for review by the Group. The Group requested that the plan is updated with the planned quarters for when the work will be undertaken and for an update on resources.
13. The report will be updated and a final version presented to the Audit and Governance Committee in July for approval.
14. The date of the next meeting is Thursday 1 September 2016, 2:00-4:00.

RECOMMENDATION

15. The Committee is RECOMMENDED to note the report.

Lorna Baxter
Chief Finance Officer

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