

# **AUDIT and GOVERNANCE COMMITTEE – 8 MARCH 2017**

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

The Audit Working Group met on Wednesday 8 February 2017

Attendance:

Full Meeting:

Chairman Dr Geoff Jones; Cllr Sandy Lovatt, Cllr Roz Smith; Nick Graham Chief Legal Officer; Ian Dyson, Assistant Chief Finance Officer (Assurance); Sarah Cox, Chief Internal Auditor; Stephen Fallows (minutes)

Part Meeting:

Lorna Baxter, Director of Finance, Bev Hindle, Strategic Director Communities, Seona Douglas, Deputy Director (ASC), Benedict Leigh, Deputy Director (ASC), Joseph White, Risk Management Officer, Steven Jones, Corporate Performance and Risk Management Officer

### **Matters to Report:**

#### **AWG 17.02 - Capital Programme Audit Update**

Bev Hindle, Strategic Director Communities and Lorna Baxter, Director of Finance attended to discuss the recently finalised audit of the Capital Programme. The audit had been given an overall grading of Red and the group considered the full report. The audit identified a lack of a sound governance structure in place in relation to the delivery of schemes within the capital programme, with limited strategic oversight and weaknesses in arrangements for reporting, monitoring and escalation of significant issues on individual projects. The group noted the action plan and requested an update in 6 months' time on the implementation of actions.

#### **AWG 17.03 - Mental Health Update**

The group had previously considered the audit of Mental Health which has an overall grading of Red. Seona Douglas and Benedict Leigh, Deputy Directors from Adult Social Care attended to provide the group with an update on implementation progress. The group noted that a comprehensive S117 review of all service users is being completed, a performance dashboard is in place, and issues around data quality being addressed and OCC now approve all care packages which is providing consistency over approval and eligibility of service provision. However the Deputy Directors did report some concerns with the delivery of the action plan and stated that these issues are now being considered as part of the strategic review currently in progress of the governance and structural arrangements, which will be completed by April 2017. The group therefore asked for an update at the 21 June AWG meeting.

#### **AWG 17.04 - Risk Management and Business Management Update**

The Assistant Chief Finance Officer (Assurance) presented an update on risk management, which included for information the Business Management Report which is presented to CLT and Cabinet, highlighting the key risks within the organisation. The group noted the alignment between risk and performance reporting and the link to strategic objectives. The group also noted the work being undertaken by officers supporting Senior Management in identifying and addressing emerging

strategic risks and the work being undertaken to improve the timeliness of business management reporting. The group agreed to continue to receive the strategic risk information and the Business Management Report.

### **AWG 17.05 - Update on Finance Improvement Plan**

The group received an update from the Assistant Chief Finance Officer (Assurance), including emerging issues and current progress in financial control improvement, which will be included in the full update to the March 2017 Audit & Governance Committee. The group noted the improvements still required in the areas of duplicate payments and aged debt. The group reviewed the list of management actions outstanding from the 15/16 audits and noted these will be followed up in the current audits of key financial systems.

The date of the next AWG meeting is Wednesday 5 April 2017, 14.00 - 16.00.

### **Recommendations**

**The Committee is recommended to note the report.**

Lorna Baxter  
Director of Finance

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