

AUDIT and GOVERNANCE COMMITTEE – 26 APRIL 2017

REPORT OF THE AUDIT WORKING GROUP (AWG)

The Audit Working Group met on Wednesday 5 April 2017.

Attendance:

Full Meeting:

Chairman Dr Geoff Jones; Cllr Sandy Lovatt, Cllr Nick Hards; Cllr Roz Smith; Nick Graham Director of Law and Governance; Ian Dyson, Assistant Chief Finance Officer (Assurance); Sarah Cox, Chief Internal Auditor; Joanne Hilliar (minutes)

Part Meeting:

Glenn Watson, Principal Governance Officer; Sarah Watson, Access and Disclosure Officer.

Matters to Report:

AWG 17.10 Annual Governance Statement, including Corporate Lead Statements.

The group reviewed in detail both the draft Annual Governance Statement (AGS) and also the individual Corporate Lead Statements. The group noted the change to the format of the AGS for this year, following advice from the Chartered Institute of Public Finance and Accountancy (CIPFA). The change has provided more prominence within the statement to the opinion, actions and effectiveness. The group were satisfied with the process for compilation of the Corporate Lead Statements and how they contribute to the production of the AGS. The group reviewed the outstanding actions from 16/17 and received updates from officers on progress taken. Actions for 17/18 were reviewed and the group recommended that additional actions are added in respect of Capital Programme and Mental Health governance issues that were highlighted within the 2016/17 Internal Audit Reports. Officers agreed with this. There were discussions around the transformation programme and the associated governance changes that this will bring, it was therefore agreed that an action would be included which monitored the implementation of the new Target Operating Model.

AWG 17.11 Update on Finance Improvement Plan

The group received an update from the Assistant Chief Finance Officer (Assurance), including current progress in financial control improvement and the work now being undertaken as part of Finance Fit for the Future (transformation) which includes a service re-design of Finance. There will be a full update to the July 2017 Audit & Governance Committee. The group noted progress made with improvements to the debt management processes and performance, ongoing work on duplicate payments, the implementation of the new electronic contract management system from April 2017, interfaces to replace BDU uploads for adult social care payments going live from the end of April 2017 and the current work to address PCI (payment card industry) compliance.

AWG 17.12 Internal Audit Update

The group received an update from the Chief Internal Auditor on progress against the Internal Audit Plan and the Counter Fraud Plan. The group noted that the Internal Audit plan for 16/17 had been delivered in full with all reports due to be finalised prior to the annual report to the Audit & Governance Committee. The group thanked Internal Audit for their hard work during the year.

There were no material issues identified in the audit reports finalised since December 2016 update, with the exception of the audit of Capital Programme which received an overall grading of Red - this however was subsequently presented and reviewed by the group during the February 2017 meeting. The Group will continue to monitor progress of implementation of the actions from both the Mental Health and Capital Programme audits.

The group noted the work undertaken on the Counter Fraud Plan.

The group noted the position with overdue management actions. These are subject to continued monitoring and escalation by Internal Audit to the Directorate Leadership Teams, in addition to a number of follow up audits included within the 16/17 and 17/18 plan.

AWG 17.13 Terms of Reference for Audit Working Group

The terms of reference were reviewed and updated including job title changes.

The date of the next meeting is Wednesday 21 June 2017, 14.00 - 16.00.

RECOMMENDATIONS

The Committee is recommended to note the report.

Lorna Baxter
Director of Finance

Contact: Officer: Sarah Cox, Chief Internal Auditor
07393 001246 sarah.cox@oxfordshire.gov.uk