

AUDIT and GOVERNANCE COMMITTEE – 10 JANUARY 2018

REPORT OF THE AUDIT WORKING GROUP (AWG)

The Audit Working Group met on Wednesday 6 December 2017.

Wednesday 6 September:

Attendance:

Full Meeting:

Chairman Dr Geoff Jones; Cllr Nick Carter; Cllr Roz Smith; Cllr Helen Evans; Ian Dyson, Assistant Chief Finance Officer (Assurance); Sarah Cox, Chief Internal Auditor; Georgina Cox (minutes)

Part Meeting: Clair Pollock, Corporate Income and Finance Improvement Manager

Matters to Report:

AWG 17.31 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.

Reports graded red status from 2016/17 of Capital Programme and Mental Health, and from 2017/18 the audit of S106, continue to be monitored by the AWG. Officers will be attending the February and April 2018 AWG meetings to provide updates on implementation of action plans.

The group noted their concerns with the recent audit of the Fostering Service, which followed up from the audit in 2015/16. Whilst the overall conclusion was Amber, the area of external foster care payments was graded red. Weaknesses identified in relation to the controls in place around IPAs (individual placement agreements) identified in the initial audit in 2015/16 had not been sufficiently addressed and therefore have been reported again. The executive summary of the report will be presented within the routine Internal Audit update to the Audit & Governance Committee in January. Prior to that the group have requested a written update from Children's to be provided to the Chair of the Audit & Governance Committee and Chair of Audit Working Group prior to the January Audit Committee providing an update on how the weaknesses will be addressed and timescales.

The group noted that the recent audit of PSN (executive summary to also be included in the Internal Audit update to January Audit & Governance Committee) referred to the outstanding management action from the Cyber Security audit regarding the patching policy. The group acknowledged the presentation and update provided by Graham Shaw, Director of Customer Experience at the November Committee meeting and that for the January Committee could a verbal update to confirm the implementation progress of the actions outstanding from the Cyber Security Audit be included in the GDPR (General Data Protection Regulation) item.

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 17/18 plan.

AWG 17.34 Finance Update

The group received an update from Ian Dyson, Assistant Chief Finance Officer (Assurance) on current developments which Finance are leading on. The group were also updated on the position of the Finance restructure and current work being undertaken within the organisation led by PWC.

The group were pleased to hear the good progress made in the areas of debt recovery and the BDU (bulk data upload). They noted the ongoing work regarding duplicate payments, purchase to pay system, cheque payments, and direct payments. It was highlighted that there was a gap in governance around VAT and an Internal Audit has been commissioned to test the level of compliance across the organisation in relation to income.

Date of next meeting Wednesday 7 February 2017 at 14:00.

Recommendations

The Committee is RECOMMENDED to note the report.

Lorna Baxter
Director of Finance

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