

AUDIT COMMITTEE – 7 July 2011

REPORT OF THE AUDIT WORKING GROUP (AWG)

The Audit Working Group met on 16 June 2011

The meeting was attended by:

Dr. Geoff Jones – Chairman; Cllr. David Wilmshurst; Cllr. Alan Armitage; Cllr. Charles Mathew; Lorna Baxter; Peter Clark; Ian Dyson; Belinda Dimmock-Smith; Sarah Cox.

Part meeting only: AWG4 Steve Howell

Observers: Cllr. Sandy Lovatt; Cllr. Larry Sanders; Cllr. Charles Shouler; Cllr. Roy Darke.

Apologies: Sue Scane

AWG WORK PROGRAMME ITEMS

The main business items of the meeting were as follows:

AWG 4 Highways and Transport – Risk and Project Management
AWG 5 Draft Internal Audit Annual Report
AWG 6 Draft Annual Governance Statement
AWG 7 Draft response to CLG consultation on the Future of Local Public Audit
AWG 8 Risk Management Progress Report
AWG 9 Internal Audit – Issues and Follow Up Progress

MATTERS FOR REPORT TO THE AUDIT COMMITTEE:

Fairer Charging (Matter arising from minutes 31 March 2011)

At the previous meeting the Group agreed to receive the next progress report at the September meeting, but asked to be notified promptly of any emerging issues. The Group had not been notified of any concerns so asked for confirmation this was the situation. The Assistant Head of Finance (Audit) reported that he had received the report for May at the beginning of the week, and although the figures were consistent with previous periods, there was an example of a client that had not previously been identified through the reconciliation process that had resulted in a significant delay in undertaking a financial assessment. The Officer reported that he was establishing how this had occurred, and will report back to members at the Audit Committee on 7 July 2011.

Update on SAP Roles (Matter arising from minutes 31 March 2011)

It was confirmed that a SAP Operational Group has been established, and tasked with resolving all the outstanding governance issues regarding the development and maintenance of SAP Roles. A report on the position will be presented to the AWG at the meeting on 8 September 2011.

Highways and Transport – Risk & Project Management

The Deputy Director gave the Group assurance that improvements to the project and risk management disciplines have been made, and acknowledged that whilst officers have been managing risks and taking actions on a daily basis they have been less effective at documenting this along the Council's guidelines. He confirmed that Project Initiation Documents have now been completed for key projects, and they are all recorded on the project register. The leadership team actively reviews the projects at least monthly. It was also noted that the Performance and Review Team are providing support in improving the project and risk recording and coordination of project management training.

The Group remained very concerned regarding progress with actions resulting from the internal audit of the Highways Service. There remain several actions not yet completed, but the planned implementation dates have been exceeded. The governance over the Highways Services remains unacceptable. The Deputy Director to attend the next meeting of the Group with an update, and was told that the Group expects to be informed that all actions have been completed.

Draft Internal Audit Annual Report

The Group was happy with the report, but noted that the audit of Voluntary Sector Grants that had resulted in an overall opinion of "Unacceptable" control, was also referred to in the AWG9 report as having priority 1 action not completed, that was due April 2011. The Group asked that an explanation be provided at the meeting of the Audit Committee on 7 July 2011.

Risk Management

The Group noted that the Governance Audits have identified issues regarding risk management processes within the Directorates that are being addressed. It was agreed that progress with actions arising from the Internal Audit reports on risk management will be appended to the future risk management progress reports presented to the Group.

Work Programme

The updated work programme is attached as appendix 1 to this report.

The Committee is RECOMMENDED to note the report;

SUE SCANE
Assistant Chief Executive & Chief Finance Officer
Corporate Core

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June 2011

APPENDIX 1

AUDIT WORKING GROUP WORK PROGRAMME 2011/12

2011

Thursday 8 September

- Deputy Director Highways & Transport – update on Action Plan
- SAP Roles – Update on Actions
- Internal Audit Issues – Ian Dyson
- Risk Management Progress Report – Belinda Dimmock-Smith
- Fairer Charging progress report – Alan Sinclair / Jo Stone

Thursday 3 November

- Internal Audit Issues – Ian Dyson
- Risk Management Progress Report – Belinda Dimmock-Smith
- Quarterly Update AGS Action Plan – TBC

2012

Thursday 5 January

- Annual Governance Statement Process – annual review of the assurance framework – TBC
- Internal Audit Issues – Ian Dyson
- Risk Management Progress Report – Belinda Dimmock-Smith

Thursday 16 February

- Internal Audit Issues – Ian Dyson
- Risk Management Progress Report – Belinda Dimmock-Smith
- Quarterly Update AGS Action Plan – TBC
- Progress report on issues arising from the External Audit Reports - TBC
- Draft work programme 2012/13 – Ian Dyson
- Review of AWG Terms of Reference – Ian Dyson
- Private Session with External Auditors - TBC
- Private Session with the Assistant Head of Finance (Audit)

Last updated: 16 June 2011

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