

## **AUDIT COMMITTEE – 16 November 2011**

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

The Audit Working Group met on 3 November 2011

The meeting was attended by:

Dr. Geoff Jones – Chairman; Cllr. David Wilmshurst; Cllr. Alan Armitage; Cllr. Charles Mathew; Sue Scane; Peter Clark; Ian Dyson; Claire Phillips; Sarah Cox; Neil Shovell.

Part meeting only: AWG4 Sara Livadeas and John Dixon; AWG5 Simon Kearey; AWG6 Steve Howell, Steve Smith, Andy Williams, and Peter Brown.

Observers: Cllr. Larry Sanders

Apologies: Cllr Roy Darke; Cllr Sandy Lovatt

#### **AWG WORK PROGRAMME ITEMS**

The main business items of the meeting were as follows:

AWG 4 SCS Safeguarding

AWG 5 SCS Alert Service

AWG 6 Highways and Transport

AWG 7 CEF Safeguarding

AWG 8 Internal Audit

AWG 9 Corporate Governance Assurance Framework

#### **MATTERS FOR REPORT TO THE AUDIT COMMITTEE:**

##### **SCS Safeguarding**

The Senior Officers confirmed to the Group the seriousness of the issues highlighted in the internal audit report, and the Group welcomed the commitment expressed by those officers to not only resolving the immediate issues, but to ensuring the solutions are sustainable over the long term. Management are implementing improved performance monitoring, including the top ten performance indicators, of which client reviews will be one, monitored by the Directorate Leadership Team. The Senior Officers emphasised the improvement in their risk management approach with information being key to ensuring that the right balance is achieved in the allocation of resources between the client assessment process and the review process; however, the Group acknowledged the Officer's view that whilst the restructuring of the Adult Social Care Service will facilitate the change, improving the overall service delivery and performance is not a short term project.

##### **SCS Alert Service**

The Group was briefed about various difficulties with the programme, particularly with the equipment contract. It was noted that a number of the actions arising from

the audit have been completed, with all actions to be completed by the end of the year. It was noted that all Alert Service clients will be on SWIFT by the end of December, with all financial assessments in process. The Senior Officer confirmed that he is monitoring the action plan, and is receiving regular reports that give him assurance that the actions taken are effective. The Senior Officer will provide a further report in which it is expected to show all actions completed, that will be circulated with the papers for the next AWG.

### **Highways and Transport**

The Group was satisfied that the information presented by the Officers addressed their questions and concerns expressed at the previous meeting. The information focussed on the operational processes, and the controls being applied, including a good monitoring process by the Management Team, informed by the Contract Manager. The Group had no further issues at this stage, and confirmed that they will await the outcome of the internal audit scheduled for November 2011 to provide the final assurance.

### **CEF Safeguarding**

The Internal Audit Manager summarised the scope of the internal audit, and the significance of key controls around staff supervision and the accurate and timely recording of data. The Group discussed the management report, including the progress against the action plan, noting that it is being monitored by Senior Officers, through their management meeting. The Group was satisfied with the action being taken, but noted that there were still risks arising until the new measures had been fully introduced and were working effectively. The Group had confirmation a follow up audit will be undertaken next year to provide assurance that the implementation of actions is complete and effective; in the interim the Group will receive assurance that actions have been implemented through the internal audit monitoring of actions, and by exception reports through the risk and performance reporting process should poor performance or issues arise.

### **Internal Audit – Emerging Issues**

The Chairman of the Audit Committee confirmed that he had written to the officer responsible for the long outstanding action to update the Schools Financial Manual of Guidance, but had not received a response. The Group was very concerned and the matter will be escalated to the Assistant Chief Executive and Chief Finance Officer to address.

The Group was informed that the project to implement the Adult Information System (AIS) had started in Social and Community Services. This is a key project referred to by both the Senior Officers in the discussion on SCS Safeguarding, and the Senior Officer who reported on the Alert Service. The Audit Committee are recommended to request a pre meeting briefing on the AIS Project, and its deliverables, and following that briefing to determine how it wants to monitor the project and its outcomes in the future.

### **Corporate Governance Assurance Framework (CGAF)**

The Group were informed that only minor changes are proposed to the Framework, mostly changes to post titles. The one change proposed to the existing framework is to remove “Partnerships” as a corporate process, and therefore there would be no corporate lead assurance statement. The rationale to remove partnerships is that we

no longer have a Partnerships Team or the structure of strategic and thematic partnerships in operation. There continues to be examples of partnership working, but the governance is embedded in the requirements of the other key control processes, for example risk management, performance management etc. The Groups views were sought on changes to the framework; there were no significant additional recommendations for change.

The proposed revisions to the CGAF are highlighted in bold large font in appendix 2 of this report. The Audit Committee is recommended to approve the revisions.

### **Work Programme**

The updated work programme is attached as appendix 1 to this report. It is proposed that the January meeting be cancelled as there are very few items, and the next scheduled meeting is the following month. The item on Annual Governance Statement Actions progress report would go to the Audit Committee on 18 January.

### **The Committee is RECOMMENDED to:**

- a) agree the pre meeting development session for the meeting on 18 January should be a briefing on the AIS project;**
- b) approve the revised Corporate Governance Assurance Framework; and**
- c) agree the cancellation of the AWG 5 January 2012**

SUE SCANE  
Assistant Chief Executive & Chief Finance Officer  
Corporate Core

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November 2011

## APPENDIX 1

### AUDIT WORKING GROUP WORK PROGRAMME 2011/12

2012

**Thursday 5 January – NOTE IT IS PROPOSED THIS MEETING BE CANCELLED**

- Quarterly Update AGS Action Plan – TBC
- Internal Audit Issues – Ian Dyson
- Risk Management Progress Report – Claire Phillips

**Thursday 16 February**

- Internal Audit Issues – Ian Dyson
- Risk Management Progress Report – Claire Phillips
- **Alert Service – progress report – Simon Kearey**
- 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)

Date to be determined:

- Fairer Charging Update

Last updated: 3 November 2011

Ian Dyson, Chief Internal Auditor 01865 323875