

MINUTES OF THE AUDIT PANEL

Tuesday, 10 December 2019 at 7.00 pm

PRESENT: Councillors Jim Mallory, Paul Maslin, Joan Millbank, Stephen Penfold, James Rathbone and Carole Murray

ALSO PRESENT:

Apologies for absence were received from Councillor Susan Wise, Ian Pleace and Stephen Warren

1. Minutes

Item 6 refers to the Transparency Code audit.

Matters arising:

The action from item 5, Management responses are to be circulated after this meeting and discussed at the next meeting. The Constitution has been updated to reflect that report referrals and recommendations now go to the Executive Director as appropriate.

The minutes were agreed.

2. Declarations of Interest

No interests were declared.

3. Internal Audit Quaterly Report

The Chief Finance Officer presented this report. He updated the Panel on the following.

The internal audit plan is still being progressed. With the exception of the Financials and HR and Payroll Implementation, all are now complete. There has been some difficulty as contractors do not have the resources either. The team are looking at getting another agency to carry out some of the work.

The internal control board sat last week. They reviewed the timeliness of actions and bringing internal recommendations to implementation. There was a dispute surrounding the accounts payable audit, in which they agreed that the approach taken by management was reasonable, to keep it under review until it is resolved. there was also discussion around the number of recommendations that had been closed. They were satisfied with the Directors' support that those actions had been addressed.

The type of controls as they relate to High or Medium findings continue to be monitored. The majority of the controls where action is required are in procedures, compliance and information security.

On the schools' audit, there is no mechanism at the moment that is resourced to enable the schools to feedback on their progress so these numbers were excluded from the report. This falls under the schools' governance- for completeness, when

these audits are finalised they will go to the Director for Educational Standards so that their team look at the audit and the recommendations in the context of other matters that they are working with headteachers on.

In the next financial year, internal audit will perform an exercise to find an external assessor to carry out the Public Sector Internal Audit Standards assessment. Once the exercise is complete, internal audit will suggest the preferred provided to members. Internal audit implemented all but one of the recommendations- internal audit are recommending that members reconsider implementing the recommendation to annually complete an effectiveness assessment that includes an assessment of the effectiveness of the internal audit service and HIA.

The Chair noted that the backlog of corporate actions is starting to decrease. When asked about the process of recruitment of the head of Internal Audit, the officer responded that in the interim there are plans to recruit via agency because the wider role will need a reconsideration of responsibilities.

Action

Regarding the outstanding actions on; the transparency code, data breach, prepayment cards and safeguarding, it was asked that more information is provided on those, of which the officer noted.

Action

The officer responsible for the Local Government Transparency Code should be providing a written briefing when they return from sick leave of which officers will circulate if received before the next meeting.

Members asked for context regarding the PSIAS recommendation. The Chair asked if the Audit Panel itself should consider the effectiveness of the internal audit service at large, therefore it is not a self-assessment of the Panel, it is the Panel conducting an assessment of the Council's internal audit function. Officers responded that the assessment focus is the skills and function of the Panel.

Action

Officers to produce this self-assessment for the Panel to review on an annual basis for the next meeting

4. Oracle Cloud

The Director of Financial Services presented this report alongside the Accounts Payable Team Leader, the Oracle Cloud Finance Manager and the IT Applications Manager. The report was briefly summarised and the Panel discussed.

The Oracle Cloud Programme was split into two parts. The focus of the report was the first phase- the core HR and financials and the procurement. The second phase is progressing well which covers the employee self-service, manager self-service and payroll, which is expected to go live imminently.

Some modules have been implemented and went live in May 2018, as detailed in the report. Fixed assets, a new module, did not work particularly well at first and alternative options for closing down in 2019/20 are being looked at. By large, the modules are working well, and issues are being sorted through.

Informing and communicating how this system works is a priority going forward. Engagement, training and awareness is improving, reducing any challenges in using

it. Panel members stated that it is important that staff being trained on the selfservice system are using it soon after, although the drop in sessions are useful.

Managers are continually improving learning resources to increase training results. As part of the transition of the applications into full time support from the program, key user training has been organised.

The business as usual support arrangements has been strengthened and changed there has been a restructure of the application and support team, and there will be a final service level agreement Children's Social Care and IT which would mean that there will be integration and monitoring of how the system is used, ensuring there are system upgrades or renewed processes as necessary.

The Chair raised concern about the point raised in the report that not all budget holders feel they are sufficiently able to use the PBCS (Planning and Budgeting Control Service). The Chair asked if this was indicative that they are not able to use the service at all and therefore unable to sufficiently control budgeting and spending. The officers responded that predominantly this meant that the finance team or other admin staff were doing this work on the service for them. The Panel discussed that this onus should not fall on the finance team and recommended this was drawn to the attention of the Chief Executive of the Council to align with the cultural shift.

The Chief Finance Officer mentioned that he will be holding a group session on the 13th January to discuss the Budget. He suggested that this would be a good opportunity to raise the issue with the Chief Executive.

5. Work Programme/Action Log

The Chair advised of the following:

Oracle Cloud will remain a continual item, however it can be a less in-depth report and just provide an update, focusing on the outstanding actions.

The internal audit update will remain on the work programme provisionally. If there have been significant progress against the Transparency Code, data breach, prepayment cards and safeguarding as outlined above, there will be nothing additional to report on at the next meeting. The Panel agreed to delegate this decision to the Chair.

PSIAS- internal audit would provide a report on the performance of the Audit Panel. This is to be put as a standard item annually in March.

The Risk Register will remain a standard item in the quarterly audit report.

Action

The audit report to the Public Accounts Committee will be circulated to Members in advance for comment and will be included in the next agenda as an information item for the Panel.

The report was noted and agreed.

The meeting finished at 8.25 pm