

**COUNCIL**  
**14 JANUARY 2016****REPORTS OF COMMITTEES****(a) SUMMARY OF DECISIONS TAKEN BY THE AUDIT AND GOVERNANCE COMMITTEE**

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**Corporate Risk Report**

1. The Corporate Risk Register provides a mechanism for collating and reporting strategic risks that could affect the delivery of corporate objectives. Each risk listed on the Corporate Risk Register is monitored by directorates and reported through the corporate process to provide assurance on the adequacy of arrangements to mitigate the risks.
2. There is one risk on the Corporate Risk Register that is rated as red – "demographic changes lead to changed demand for services". This reflects the need to better understand the future demand for services from a changing demographic profile such as the ageing population or changes in the needs of children and families. It is rated red because of the potential impact on the Council's budget, and because additional work to address the area of demand management is underway but not yet fully in place.
3. The Committee has noted the latest refresh of the Corporate Risk Register including the red risk identified and mitigating actions, and the intention to review the approach to mitigating risk.

**Internal Audit Report – Use of Consultants**

4. As previously reported to Council, the Committee considered the results of an audit of the use of consultants and requested a further audit which was included in the agreed 2015/16 internal audit plan.
5. The audit concludes that the County Council has very good clear documented and detailed processes relating to the engagement and management of consultants. Since the last Internal Audit review was conducted, the processes that need to be followed when engaging external consultants have been extensively publicised to managers by a number of different methods including news bulletins on the Intranet, emails from the Chief Executive, reminders at Wider Leadership Team meetings and a step by step guide is also provided on the procurement pages of the intranet. The overall control framework is therefore strong but the key issue arising from the audit is the continued non-compliance with that framework by managers across the organisation. There also remains some ambiguity over the Council's definition of consultancy and hence a lack of consistency in interpretation. The definition should therefore be reviewed

6. The Committee has noted the results of the internal audit on the use of consultants and requested that a further audit be undertaken during 2016/17.

7. The Committee wishes to draw Council's attention to its surprise and disappointment at the outcome of the audit report on the use of consultants.

8. The Committee has also requested that the Overview and Scrutiny Performance Board consider including the use of consultants in its work programme.

### **Annual Audit Letter 2014/15**

9. Grant Thornton is responsible for producing an Annual Audit Letter which brings together all aspects of external inspection work undertaken across the Council including the audit work carried out on the accounts. The Committee has noted the Annual Audit Letter 2014/15.

### **Transfer of Finance Presentation**

10. Members noted a presentation that set out the impact of the proposed commissioning of Transactional HR and Finance to Liberata UK Limited on the Council's Financial Systems.

### **Internal Audit Progress Report – 1 April to 31 October 2015**

11. The Committee has noted the Internal Audit Progress Report for the period 1 April to 31 October 2015.

### **Work Programme**

12. The Committee noted its future work programme.

**Mr W P Gretton**  
**Chairman**

### **Contact Points**

#### County Council Contact Points

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## **Background Papers**

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Audit and Governance Committee held on 11 December 2015.