

OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

11 JULY 2008

INTERNAL AUDIT REPORT 2007/08

1 Purpose of Report

- 1.1 To receive the internal audit report for 2007/08 detailing a review of procedures, controls and the management of risk within the Oxfordshire Waste Partnership (OWP).

2 Background

- 2.1 The Vale of White Horse D.C is the current "Auditing Authority" for the OWP and as such has conducted an audit of the OWP's financial activities for 2007/08. A report detailing findings is attached at appendix 1.
- 2.2 The report concludes that "there is basically a sound system of internal control". However, three recommendations for improvement are set out. These are:
- i. That consideration be given to providing the OWP Co-ordinator (Cherwell District Council) with read only access to the relevant part of Oxfordshire County Council's (OCC) financial information system.
 - ii. That the budget monitoring process be formalised to include diarised formal budget monitoring meetings for the whole financial year, that these be minuted and that monthly budget monitoring reports be provided to the OWP Co-ordinator (Cherwell District Council).
 - iii. That a risk register be completed for the OWP function as a whole.
- 2.3 Recommendations ii and iii have been accepted by the OWP Coordinator and the Strategic Finance Manager at OCC. Budget monitoring meetings for the year have been diarised. A risk register has also been completed and key risks will be reported to the committee on a quarterly basis in future. Recommendation i has been agreed in principle whilst practicalities surrounding system access are assessed. It is felt that this recommendation may not be necessary if regular budget monitoring meetings are instead held.
- 2.4 The OWP Partnership Agreement states that "the role of Auditing Authority will rotate automatically in alphabetical order between the Partner Authorities every two years from the date of the relevant Annual General Meeting." This is the first audit to be completed by Vale of White Horse. It is recommended that it remains the Auditing Authority for 2008/09.

3 Financial, Risk and Staff Implications

- 3.1 Recommendations i and ii (as set out in paragraph 2.2 above) have been made to improve budget monitoring and reduce the risk of future budget under spends or over spends. They have been assessed as "medium" risks for local management action. Recommendation iii has been made to manage and reduce the overall risks to the OWP and its objectives. This has been categorised as a high risk that requires senior management action.

4 Areas Affected

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- 4.1 Recommendation iii within the internal audit report affects all partner councils. Recommendations i and ii relate to OCC in their capacity as Accounting Authority to the OWP.

5 Effect on Strategic Policies

- 5.1 Robust financial and internal controls help to support the delivery of each of the OWP's strategic policies.

6 Options or Alternatives

- 6.1 Not applicable.

7 Recommendations

- 7.1 That
- i. the audit recommendations as set out in paragraph 2.2 are accepted;
 - ii. the management response as set out in paragraph 2.3 is approved, and that
 - iii. the Vale of White Horse is reappointed as the Auditing Authority for 2008/09.

8 Reasons for Recommendations

- 8.1 To ensure that adequate financial and other internal controls are in place.

9 Contact Officer

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Background Papers: