

OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

23 October 2009

INTERNAL AUDIT REPORT 2008/09

1 Purpose of Report

- 1.1 To receive the internal audit report for 2008/09 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 2008/09. A report detailing findings is attached at appendix 1.
- 2.2 The report found that two of the three recommendations made the previous year (2007/08) had been implemented. These were:
- i. 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, and;
 - ii. That a risk register be completed for the OWP function as a whole.

A third recommendation made in 2007/08 had not been implemented, but the report acknowledges that this has now been superseded by events. This recommendation was that consideration be given to providing the OWP Co-ordinator with read only access to the relevant part of Oxfordshire County Council's financial information system. This did not prove possible, but was resolved by instead holding regular budget monitoring meetings.

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- 2.3 A **satisfactory** level of assurance has again been obtained for 2008/09. This means that there is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk. Six recommendations were raised. One High risk, four Medium risk and one Low risk. These are listed in table 1, together with a response from the OWP coordinator.

Table 1 2008/09 internal audit recommendations

Recommendation	Rationale	Risk level	OWP response
1. That an exercise be undertaken to ensure that all invoice payments have been correctly coded.	Some invoices, totalling £3,500 were found to have been miscoded.	Low	OWP Coordinator now checking detail coding of each invoice. Reconciled quarterly with Cherwell D.C and Oxfordshire C.C finance systems.
2. That consideration be given to creating an asset register for items of value, and in addition, the issue surrounding the insurance of the street cleaning machine be resolved.	A street cleaning machine was purchased using LAA pump-priming funding by Oxford City on behalf of OWP partner councils. Ownership and insurance of this asset needs to be resolved.	Medium	Discussions with Oxford City now nearing completion. Asset will be owned and insured by Oxford City and loaned to other partners on a short term hire agreement. There are no current plans for further capital purchases by OWP, so an asset register will not be developed at this stage.
3. That a payment schedule is created to ensure that payments to the OWP are made promptly by respective partner members.	Oxford City Council did not pay their contribution of £45,426 for 2008/09 until 28 th April 2009.	Medium	Invoices for 2009/10 have now been raised. Normal terms of payment apply. All Partner Councils are requested to pay their invoices in a timely manner.
4. That a risk management policy should be created.	Without a clearly defined risk management policy, the responsibilities and the risk management process may not be clear to member councils and officers of the OWP.	High	The Oxfordshire Partnership (OP) has been approached and asked whether training and benchmarking in risk management can be developed for its thematic partnerships. OWP has volunteered to pilot/test any work in this area.
5. That appropriate officers within the OWP are provided with training in risk management.	OWP staff members do not currently have any formal risk management training.	Medium	A risk management policy will be drafted for consideration at the next Strategy group and Joint Committee meetings.
6. That the OWP's performance in risk management is measured against best practice.	Currently the OWP's performance in risk management is not measured against best practice.	Medium	This will accompany the risk register document developed last year.

- 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 second audit to be completed by

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Vale of White Horse D.C. It is recommended that West Oxfordshire D.C be appointed as the Auditing Authority for 2009/10 and 2010/11. Initial discussions with the internal audit team at West Oxfordshire D.C have been held, so that they are able to include this work in their forward work programme.

3 Financial, Risk and Staff Implications

- 3.1 Recommendations 1 to 3 in table 1 above have been made to improve OWP's accounting, so that funds are available and reported correctly. These have been classed as Low or Medium risks, which require local management action. Recommendations 4 to 6 aim to improve the partnership's approach to risk management. Recommendation 4 has been classed as high level risk. The partnership's response to this (i.e. the development of a risk management policy) will therefore be considered at a future meeting of the Joint Committee.

4 Areas Affected

- 4.1 All partner councils are affected by these recommendations.

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 recommendations summarised in table 1 and detailed in appendix 1 are accepted;
 - ii. the OWP response offered in table 1 is approved;
 - iii. West Oxfordshire D.C be appointed as OWP Auditing Authority for 2009/10 and 2010/11;
 - iv. the internal audit team at Vale of White Horse District Council be thanked for their work as Auditing Authority over the past two years.

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: