



Statement from Catherine Pridham, Chair of ODS Audit Committee to Oxford City Council Audit and Governance Committee on 27 September 2023

Annual Audit Opinion ODS 22/23

- The Internal Audit function for ODS is provided by BDO. As in prior years, due to the size of the internal audit engagement undertaken, they were unwilling to offer an overall audit opinion for work they have undertaken for ODS.
- The internal audit plan for 22/23 was amended to provide additional scope to the contract management audit because of FOI requests received and as a result the planned review of Data Input Controls has been rescheduled into the 23/24 audit plan.
- The Audit Committee / Board are happy to provide assurance on the overall adequacy and effectiveness of ODS's governance, risk management, and system of internal control based on the work of BDO and further assurances gathered. Action has been taken with regards to the limited assurance provided by the Contract Management audit. ODS can demonstrate its' compliance with the Local Government Transparency Code 2015 and high-risk areas of spend have been expedited to ensure good practice.
- In their Annual Report BDO confirmed that management have responded positively and appropriately to recommendations made and none are overdue.
- **Governance and Risk Management Assurance:**
 - Governance structures between OCC and ODS are in place and allow for oversight by officers and members and ODS non-executive Directors now attend all Shareholder meetings.
 - All Heads of Service completed the OCC 22/23 Governance Questionnaire. Areas of strength included the priority given to Health and Safety, gaining external accreditations, robust absence management, good training programmes, risk management, complaint handling processes, support from procurement officers and the importance given to 'doing good'. Areas of challenge, unsurprisingly, focussed on the fallout from the QL implementation problems and the need to ensure the flow of accurate financial information. It was pleasing to see, however, that many respondents noted that once properly implemented, QL was an effective resource. Other areas of concern noted included staff recruitment and the need for more streamlined processes.
- BDO conducted a Risk Maturity advisory review during the year and they highlighted the changes made to risk management process and culture over the last 18 months and the positive impact that this has had on employees' understanding of the importance of risk management to the organisation.

- Anti-fraud, money laundering and whistleblowing policies are in place and training continues to be delivered.
 - The gifts and hospitality reporting process has been reviewed, updated and communicated across the business.
 - Complete financial oversight continued to be challenging due to the impact of QL implementation issues however with the 'go live' of the sales order process during the year the automation of reporting sales directly into the correct business is now resolved.
 - Accreditations
 - ISO9001 quality management system accreditation maintained.
 - ISO14001 environmental management system accreditation maintained.
 - ISO45001 health and safety system accreditation achieved.
 - As is typical every year and as part of the Quality Assurance Framework, all areas of the business reviewed their ISO modules which included legislation and environmental compliance, successfully retained accreditation with a handful of minor non-conformities identified, which have since been corrected.
 - The Board has received monitoring updates on H&S at every Board meeting and on a monthly basis between meetings.
-
- **Internal Control Assurance**
 - The BDO review of manual financial reporting controls put in place during the QL implementation was finalised. In areas where operational effectiveness could not be evidenced to BDO ODS conducted additional assurance work to satisfy the Board and the 21/22 accounts have subsequently been signed off by the external auditors.
 - A GDPR internal audit resulted in moderate assurance with one high priority recommendation concerning the incomplete record of processing activities. A review of each business unit's information asset registers, data flows and processing activities will be completed by Feb 24.
 - An OCC review of Car Parking related to the ODS control environment resulted in substantial assurance being given for both the design and effectiveness of the controls in place.
 - Quality Assurance Audits took place on all areas of the business and no major non-conformances were found.

Catherine Pridham
Chair of ODS Audit Committee