



Councils working together

## Dorset Waste Partnership Joint Committee

Date of Meeting	13 June 2016
Officer	Assistant Director, South West Audit Partnership (SWAP)
<b>Subject of Report</b>	<b>Internal Audit Progress Report – June 2016</b>
Executive Summary	<p>For 2016/17, it has been agreed that Internal Audit will report to the Joint Committee twice a year, providing an update on progress and any significant findings of audit work. This is the first of these reports.</p> <p>We have recently completed two pieces of audit work for DWP:</p> <p><b>(i) Dorset Waste Partnership (DWP) Project Management</b>  <b>(ii) Follow Up of SWAP recommendations from previous audits</b></p> <p>The details and findings of these two reviews are contained in the following report.</p> <p>We have also used this report to set out our proposed Internal Audit work programme for the 2016/17 year. This consists of four reviews as follows:</p> <p><b>(i) Waste Management Facility – Quarter 1</b>  <b>(ii) Budget Management – Quarter 2</b>  <b>(iii) Vehicle Maintenance –Quarter 3</b>  <b>(iv) Client Advice – Quarters 1-4</b></p> <p>As part of each DWP audit that we undertake, we will aim to refer back to the 37 point action plan (where possible) to provide the Joint Committee and Management Board assurance that the actions agreed as part of this plan, continue to be maintained and progressed.</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>This report contains no new proposals and has no equalities implications.</p>

Internal Audit Progress Report – June 2016

	<p>Use of Evidence:</p> <p>This report is based upon our recent audit findings and discussions with the Interim Director with regards to the 2016/17 Internal Audit work programme.</p> <p>Budget:</p> <p>This report has no budget implications.</p> <p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as:</p> <p>Current Risk: LOW Residual Risk: LOW</p> <p>Other Implications:</p> <p>No other implications have been identified.</p>
<p>Recommendation</p>	<p>The DWP Joint Committee is asked to:</p> <ol style="list-style-type: none"> <li>1. Note the internal audit progress and update on reviews</li> <li>2. Note the planned internal audit activity for the 2016/17 financial year</li> </ol>
<p>Reason for Recommendation</p>	<p>The Joint Committee has oversight of the Partnership's performance, budget and governance. As part of this, the Joint Committee will want to ensure that there is a robust system of internal control within DWP. Internal Audit provides an independent and objective opinion on the control environment by evaluating its effectiveness.</p>
<p>Appendices</p>	<p>None</p>
<p>Background Papers</p>	<p>Monitoring the Implementation of the Action Plan – June 2015</p>
<p>Report Originator and Contact</p>	<p>Name: Rupert Bamberger Tel: 07720 312464 Email: <a href="mailto:rupert.bamberger@southwestaudit.co.uk">rupert.bamberger@southwestaudit.co.uk</a></p>

## 1. Background

- 1.1 The Internal Audit service for Dorset County Council is provided by the South West Audit Partnership (SWAP). As part of this service, an allocation of days is set aside to provide internal audit services to the Dorset Waste Partnership (DWP). Internal Audit provides an independent and objective opinion on the control environment by evaluating its effectiveness. SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). The work of the partnership is guided by the Internal Audit Charter which is reviewed annually.
- 1.2 For 2016/17, it has been agreed that Internal Audit will report to the Joint Committee twice a year, providing an update on progress and any significant findings of audit work. This is the first of these reports.

## 2. Progress Update

### DWP Project Management Audit

- 2.1 SWAP have recently completed a review of the Project Management arrangements at DWP. This review sought to provide assurance that a consistent approach and framework was in place to set out parameters and expectations for project management.
- 2.2 The overall audit opinion of the review was 'Reasonable' i.e. 'most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives'. SWAP made four Priority 3 (medium) recommendations as part of the review. These related to managing resources and project interdependencies, the recording of project lessons learnt, the consistency of project risk registers, and the criteria for the escalation of project risks.
- 2.3 The Project Management review also covered points 29 and 31 of the DWP Action Plan i.e. project resourcing levels and implications, and project risk management (including business case risk management). We found that work in both of these areas had progressed however we have suggested further enhancements as per our recommendations above.

### Follow Up of SWAP recommendations from previous audits

- 2.4 SWAP have also recently completed a follow up audit to assess the implementation of the recommendations arising from the four discrete pieces of audit work carried out for Dorset Waste Partnership (DWP) in 2014/15. A follow up audit was undertaken in September 2015 which found that of the 26 recommendations made in the four pieces of 2014/15 work, 17 had been completed. Three additional recommendations were made. The purpose of this further follow up audit was to provide assurance to the Director, Senior Managers and the Joint Committee, that the remaining 12 agreed actions to mitigate risk exposure have been implemented.
- 2.5 Our review found that of the 12 remaining recommendations that were outstanding, nine have now been implemented. The remaining three recommendations are in progress and due to be completed shortly. Two of these recommendations related to extending work previously implemented regarding the reporting of potential risks to the budget through a RAG system and identification of mitigating actions where possible. The other outstanding recommendation relates to finalising the Service level Agreements between the DWP and services provided by the host authority Dorset County Council. All three of the remaining recommendations are due to be implemented by the date of the June 2016 Joint Committee.

### Waste Management Facility Audit

- 2.6 Work is underway in relation to the Quarter 1 Waste Management Facility Audit. We hope to report on this piece of work following the conclusion of the decision-making process and will report any findings back to the Joint Committee.

### 3. Internal Audit 2016/17 Proposed Work Programme

- 3.1 In conjunction with the DWP Management Board, SWAP have put together a proposed work programme for the 2016/17 year. This consists of 60 audit days split across four areas of work. These are as follows:
- (i) **Waste Management Facility** – A review of the joint project with Bournemouth with regards to the decision-making process of the future waste management arrangements (20 days). This review is expected to be carried out in Quarter 1.
  - (ii) **Budget Management** – A review of budget management across the Partnership and budget holder accountability (20 days). This review is expected to be carried out in Quarter 2.
  - (iii) **Vehicle Maintenance** – A review of key risks relating to vehicle maintenance procedures across the Partnership (15 days). This review is expected to be carried out in Quarter 3.
  - (iv) **Client Advice** – Advice throughout the year on emerging issues or risks (5 days). This will be carried out throughout the year as required.
- 3.2 For each of the above reviews, we will, when possible, refer back to the 37 point action plan and assess the ongoing implementation of the actions. We will look to highlight our assessment of these actions in the individual reviews as well as flagging any concerns in our progress reports.

**Rupert Bamberger**  
**Assistant Director - SWAP**  
May 2016