



## Dorset Waste Partnership Joint Committee

Date of Meeting	12 September 2017
Officer	Assistant Director, South West Audit Partnership (SWAP)
<b>Subject of Report</b>	<b>Internal Audit Progress Report – September 2017</b>
Executive Summary	<p>For the 2017/18 financial year, 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>Since the last progress report, we have completed two pieces of audit work for DWP:</p> <p>(i) <b>Budget Management</b> – Substantial Assurance                      (ii) <b>Agency Staff</b> – Reasonable Assurance</p> <p>The details and findings of these two reviews are contained in the following report.</p> <p>SWAP have also carried out a further review of the DWP 37-point action plan to ensure that the actions have been sufficiently addressed and can be considered complete. We are of the opinion that all significant matters have been actioned or mitigated, and that no additional actions are required (recognising that a number of the actions will need to be sustained on an ongoing basis).</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>This report contains no new proposals and has no equalities implications.</p>
	<p>Use of Evidence:</p> <p>This report is based upon our recent audit findings and discussions with the DWP Director and Finance and Commercial Manager.</p>

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	<p><b>Budget:</b></p> <p>This report has no budget implications.</p> <hr/> <p><b>Risk Assessment:</b></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> <hr/> <p><b>Other Implications:</b></p> <p>No other implications have been identified.</p>
<p><b>Recommendation</b></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 confirmation that no further actions are required on the 37-point action plan</li> <li>3. Note the planned internal audit activity for the remainder of the 2017/18 financial year</li> </ol>
<p><b>Reason for Recommendation</b></p>	<p>The Joint Committee along with the Senior Management Team (SMT) have oversight of the Partnership's performance, budget and governance. As part of this, SMT and 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><b>Appendices</b></p>	<p>None</p>
<p><b>Background Papers</b></p>	<p>Monitoring the Implementation of the Action Plan – June 2015</p>
<p><b>Report Originator and Contact</b></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 2017/18, 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

### Budget Management Review

- 2.1 At the time of the last DWP Joint Committee, we were in the process of finalising our 2016/17 review of Budget Management. We have now finalised this report, which received a 'Substantial' level of assurance, with just one best practice recommendation being made.
- 2.2 The recommendation was that all managers with budget holder responsibility sign for their budgets as agreement of the budget set and acceptance of their responsibility for monitoring and controlling expenditure and income against budget allocations and for acting where variances are identified. This should be carried out annually, prior to the start of the financial year.
- 2.3 Well controlled areas identified in our review included; comprehensive budget holder training, evidence of regular meetings between budget holders and finance staff to discuss budgets, and appropriate scrutiny of budgets at Senior Management Team and Joint Committee. Our opinion was that the current processes in place would identify a potential budget overspend at an early stage and appropriate action would be taken.

### Agency Staff Review

- 2.4 SWAP have recently completed our 2017/18 review of Agency Staff at DWP. This review looked to assess the procedures in place for the recruitment and payment of agency staff across the seven depots.
- 2.5 The audit received a 'Reasonable' level of assurance, with one Priority 4 and nine Priority 3 recommendations being made. The key finding related to the identification of inconsistencies with regards to when agency staff leave earlier than their standard hours.
- 2.6 No significant issues were identified with the processes for recording and payment of agency hours. However, differences were identified across the depots, which may be expected due to individual legacy systems from before the DWP was formed. Many of the recommendations raised within our report aimed to help to streamline processes and forms currently in use across the seven depots to provide efficiencies and to allow staff to work in any location.

### Follow Up of Previous Recommendations/ 37-Point Action Plan

- 2.7 At the request of the Director – Dorset Waste Partnership, SWAP have recently carried out a further review of the DWP 37-point action plan to ensure that the actions have been sufficiently addressed and can be considered complete.
- 2.8 We are of the opinion that all significant matters have been actioned or mitigated, and that no additional actions are required (recognising that a number of the actions will need to be sustained on an ongoing basis).

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- 2.9 In reaching this conclusion, reliance has been placed upon previous assurance work undertaken by SWAP to support the completion of the relevant actions. Where direct evidence of implementation could not be provided (e.g. “to foster a more collaborative culture” – Action 7), we have sought to confirm that the underlying themes and original findings have been addressed.

### 3. Internal Audit 2017/18 Work Programme

- 3.1 In conjunction with the DWP Senior Management Team, SWAP have agreed a work programme for the 2017/18 year. The remaining reviews to be completed this year are:
- (i) **Budget Management** – A review of budget management across the Partnership to ensure that robust arrangements are sustained and have become embedded within the organisation (15 days). This review is expected to be carried out in Quarter 3.
  - (ii) **Vehicle Maintenance** – A review of key risks relating to vehicle maintenance procedures across the Partnership (20 days). This review is expected to be carried out in Quarter 4.
  - (iii) **Client Advice** – Advice throughout the year on emerging issues or risks (5 days). This will be carried out throughout the year as required (*for example, the follow-up of the 37-point action plan*).

**Rupert Bamberger**  
**Assistant Director - SWAP**  
August 2017