



## Dorset Waste Partnership Joint Committee

Date of Meeting	11 June 2018
Officer	Senior Auditor, SWAP Internal Audit Services
<b>Subject of Report</b>	<b>Internal Audit Progress Report – June 2018</b>
Executive Summary	<p>For the 2018/19 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 during 2017/18, we have completed two pieces of audit work for DWP:</p> <p>(i) <b>Budget Management</b> – Reasonable Assurance  (ii) <b>Vehicle Workshops</b> – Reasonable Assurance</p> <p>The details and findings of this review are contained in the following report.</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 Senior Management Team.</p>
	<p>Budget:</p> <p>This report has no budget implications.</p>

Internal Audit Progress Report - June 2018

	<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>Outcomes:</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</li> <li>2. Note the planned internal audit activity for the 2018/19 financial year</li> </ol>
<p>Reason for Recommendation</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>Appendices</p>	<p>None</p>
<p>Background Papers</p>	<p>None</p>
<p>Officer Contact</p>	<p>Name: Kerry Brown Tel: 07890650081 Email: <a href="mailto:kerry.brown@swapaudit.co.uk">kerry.brown@swapaudit.co.uk</a></p>

## 1. Background

- 1.1 The Internal Audit service for Dorset County Council is provided by SWAP Internal Audit Services. 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 2018/19, 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, this 2017/18 audit had not commenced. We have now finalised this audit with the report receiving a 'Reasonable' level of assurance, with two recommendations being made and one significant risk highlighted.
- 2.2 The significant risk relates to the budget setting, specifically using assumptions that carry a higher level of risk and increasing income targets which may not be sustainable in the future which could result in overspent budgets.
- 2.3 A review will be undertaken to ensure that actions from budget meetings are formally recorded, as whilst there is a structure for meetings where issues can be escalated, there is sometimes a lack of formal actions and/or minutes.
- 2.4 It has been agreed to include financial information with the Project Register, particularly how this has been included within the budget setting process.

### Vehicle Workshops Review

- 2.4 At the time of the last DWP Joint Committee, this 2017/18 audit had not commenced. We have now finalised this audit with the report receiving a 'Reasonable' level of assurance, with just two recommendations being made.
- 2.5 DWP have a contract with Dorset County Council for Health and Safety advice and support and an audit was carried out at the Poundbury Workshop by DCC Officers in December 2017. The audit programme included health and safety and a decision was taken by SWAP not to duplicate the work in this area, instead recommendations were raised to support the implementation of the DCC Health and Safety recommendations.
- 2.6 Well controlled areas identified in our review included; MOT pass rates across the fleet are high, contracts with Fleet Factors and ATS Euromaster for the supply of parts and tyres results in efficient vehicle repairs and maintenance, and that the monthly checks undertaken ensures that the number of vehicles housed at each depot does not exceed that allowed by the Operator's Licence.

### 3. Internal Audit 2018/19 Work Programme

3.1 In conjunction with the DWP Senior Management Team, SWAP have agreed a work programme for the 2018/19 year. Due to there being no significant issues being raised in more recent audit reports a request was made by the DWP Director to reduce audit days from 60 to 40. The agreed reviews to be completed this year are:

- (i) **Value for Money Benchmarking** – Where possible, to gather information and data to benchmark DWP services against other Authority's providing similar services (20 days). A scope for this review has been agreed with work commencing shortly.
- (ii) **Enforcement** – A review of key risks relating to enforcement procedures across the Partnership (20 days). This review is expected to be carried out in Quarter 4.

**Kerry Brown**  
**Senior Auditor - SWAP**  
June 2018