

Internal Audit Plan 2019/2020

1. Role of Internal Audit

- 1.1.** The statutory basis for internal audit in local government is provided in the Accounts and Audit Regulations 2015, which states that:

"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance."

In addition to the above, each Client's Section 151 Officer has a statutory duty under Section 151 of the Local Government Act 1972, to establish a clear framework for the proper administration of the local authority's affairs. To perform that duty the Section 151 Officer relies on, amongst other things the internal audit work for reviewing systems of internal control, financial management and other assurance processes.

Therefore, the primary objective of internal audit is to provide assurance in an independent and objective manner. This means the span of work covers issues of risk management, control and governance and focuses on assessing how manager's arrangements regarding these matters support the achievement of Somerset Waste Partnership's (SWP) objectives.

Somerset County Council, as the Administering Authority, still has the duty to provide the s151 requirements for the Somerset Waste Partnership, which includes the need for an "adequate and effective internal audit".

1.2. Previous decisions

At the December 2016 Somerset Waste Board, members agreed a change in approach for audit days for the Somerset Waste Partnership. Whilst there is still a requirement for some annual checks of key financial systems (payroll, creditors, debtors, SAP HR), the aim has been to move away from traditional audits into more advisory type audits, such as fly-tipping and the new customer IT system.

The Somerset Waste Partnership has a long history of governance, finance and contract based audits that have had either Substantial or Reasonable assurance (the two highest categories). Officers within the Partnership, and the wider Senior Management Group, do not see the need for "more of the

same" audits in 2019/20.

1.3. 2019/20 Audit Plan

The 2019/20 SWP annual plan is a total of 40 days audit, with five days allocated annually to SCC Key Control work (Creditors and Debtors), therefore leaving 35 days, to be split over two key areas as follows:

GDPR Audit

Consider Somerset Waste partnerships implementation of revised arrangements to achieve full GDPR compliance. SWAP will carry out a review of:

- New processes introduced, the degree to which they are compliant and fully embedded
- Where further work is required

Planned days: 20

Data Quality Part One – Follow-Up Audit

Follow-up audit to review implementation of actions agreed from the 2018/19 Data Quality: Part One audit.

This review focussed on household data provided by District partners and also the annual garden waste customer numbers. Recommendations were offered to introduce processes that will improve data quality.

SWAP will review the degree of progress achieved since the previous audit report was agreed.

Planned days: 15

- 1.4.** It is proposed that the Managing Director and the SWP's Resource Co-ordinator will be tasked with developing Terms of Reference for individual pieces of work with the auditor, where relevant agreeing the scope with partners (via the Strategic Management Group) and with contractors.