

Internal Audit Plan 2021/2022 delivery

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.

There is a requirement for some annual checks of key financial systems (payroll, creditors, debtors, SAP HR), which we have continued to deliver via our key control audits for SCC.

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. 2021/22 Audit Plan

The 2021/22 SWP annual plan was a total of 40 days audit, with five days allocated annually to SCC Key Control work (Creditors and Debtors), therefore leaving 35 days for the work detailed below.

Data Quality Part Two – Follow-Up Audit

SWAP gave a 'reasonable assurance' opinion with the following conclusion, which may be useful text for your update report:

This audit has followed-up the findings and actions of the Data Quality Part Two audit, finalised in August 2019, and reviewed the processes of the current contractor. Since the original audit and the new collections contract, there have been significant developments. Several of the previous reported issues have been addressed on the basis that the contractor is a data driven organisation and their system was pre-programmed with specific SLA terms at the start of the contract, which has ensured consistent performance reporting.

In the following action plan, we have reported that previous recommendations have either been addressed in full or are no longer applicable, due to the change in contractor and their revised processes. We have also identified a further three areas for potential improvement, although none are fundamental weaknesses.

We acknowledge that there has been a long period of significant disruption to the service, due to the impacts of the pandemic and the national driver shortage. It is therefore difficult to isolate these impacts from contractor performance during business as usual and therefore, the new recommendations should be considered when some degree of service stability has resumed.

GDPR Audit – Follow-Up Audit

SWAP is pleased to conclude that the substantial effort committed to the previous audit actions has resulted in a much-improved control framework that now mitigates the risk of non-compliance to an acceptable and managed level. Most importantly, we have confirmed that:

- A Record of Processing Activity is now in place, and this has facilitated the review of a number of different aspects of the service and related processes.
- There is closer working with SCC as the lead authority, principally the Data Protection Officer who now has an ongoing working relationship with SWP and the means for greater involvement with the ICT team.
- Training and guidance have been provided to SWP staff and there is now improved clarity for how data and requests should be handled, including the awareness that the SCC Information Governance Team can provide support.

Audit Plan 2022/23

There is no current audit work planned for 2022/23, due to the work required on LGR.

