

INTERNAL AUDIT - INTERIM CONTRACTS
WDA/18/15

Recommendation

That:

1. Members note the contents of the report from the Internal Auditor

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INTERNAL AUDIT - INTERIM CONTRACTS**WDA/18/15****Report of the Treasurer****1. Purpose of the Report**

- 1.1 The Authority is required to maintain an effective Internal Audit as a part of its statutory governance arrangements. The Authority's Internal Audit is provided by St Helens Council. The Auditor reviews the arrangements at the Authority and reports to Members on any weaknesses and recommends improvements. This report brings to Members attentions the outcome of the latest review.

2. Background

- 2.1 In the period leading up to the operation of the Resource Recovery Contract for waste disposal the Authority has entered into separate arrangements to mitigate some of the costs of landfilling. The arrangements are with FCC Waste Services (UK) Ltd and the GMWDA for the treatment of an agreed minimum tonnage of waste at a cost that is less than the total cost of landfilling the waste.
- 2.2 The expenditure in relation to the above two contracts equates to approximately £9.8m over three years for FCC and £11.5m for GMWDA. The anticipated savings to the Authority for both contracts combined have been estimated by MRWA to equate to approximately £2m over three years.
- 2.3 The purpose of the review is to provide assurance regarding the arrangements in place for:-
- the establishment and approval of contractual arrangements;
 - payment processing; and
 - contract monitoring.
- 2.4 The auditor's detailed report is attached at Appendix 1 to this report.

3. Review of contracts

3.1 The Auditor concluded that in their overall opinion high assurance could be taken from the system and the way it was operated. This means that:

“all expected controls are in place and being applied consistently and effectively and there is a sound system of control designed to ensure the achievement of the service or system’s business objectives”.

3.2 The auditor has confirmed there are no Key Issues arising from this review to bring to the attention of Members.

3.3 The auditor has made no recommendations for improvements as a consequence of the review.

4. Risk Implications

4.1 There are no new risks arising from the auditor’s review

5. HR Implications

5.1 There are no new HR implications

6. Environmental Implications

6.1 There are no new environmental implications

7. Financial Implications

7.1 There are no financial implications associated with this report

8. Legal Implications

8.1 There are no legal implications associated with this report.

9. Conclusion

9.1 Internal Audit reviews the Authority’s governance arrangements. The recent review confirmed that arrangements were appropriate and there are no Key Issues for Members or recommendations for improvement. Members are asked to note the report.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.