

**INTERNAL AUDIT - WASTE DISPOSAL CONTRACT FINAL CLAIM 2014-15**  
**WDA/37/15**

**Recommendation**

That:

1. Members note the contents of the Internal Auditor's report

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**INTERNAL AUDIT - WASTE DISPOSAL CONTRACT FINAL CLAIM 2014-15**  
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**Report of the Treasurer**

**1. Purpose of the Report**

- 1.1 The report shows Members the outcome of the latest Internal Audit review of the waste disposal and treatment contracts and whether the controls at the Authority on the amounts paid out under those contracts are adequate and effective.

**2. Background**

- 2.1 The Authority is required to maintain an adequate and effective internal audit. This service is provided for the Authority by St Helens Council's Internal Auditors, under the terms of an annual service level agreement. Each year Internal Audit prepares an audit plan, carries out audit reviews and where appropriate makes recommendations for improvements.
- 2.2 As a part of their work programme Internal Audit planned to review the Authority's arrangements for ensuring waste processed under the waste disposal and treatment contracts had been properly accounted for and the payments were subject to adequate and effective control. Internal Audit's findings are set out in their report which is attached at Appendix 1.

**3. Review of contract payments**

- 3.1 Internal Audit have reviewed payments under the contracts that were in place during 2014-15, including
- The Waste Management and Recycling Contract (WMRC)
  - Landfill Contracts
  - Hazardous Waste Contract
  - FCC interim Contract
  - Greater Manchester Waste Disposal s101 interim arrangement
- 3.2 The scale of payments under these contracts is a very significant amount of the Authority's activity (at £58.6M in the review). In consequence the

audit and inherent risk attached to the contracts is considered to be relatively high, which is why these contracts are included in the internal audit plan each year.

#### **4. Audit outcome**

- 4.1 The internal audit review has found no Key Issues to raise with Members. The level of assurance provided by Internal Audit at the conclusion of their review is 'high', suggesting 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 the system’s business objectives”

- 4.2 This is the highest level of assurance internal audit are able to provide.
- 4.3 There was one recommendation from the review regarding ensuring that the evidence of data checks being carried out is recorded, this has been fully agreed.

#### **5. Risk Implications**

- 5.1 The level of opinion provided as a result of this review by Internal Audit gives assurance that although there are inherent risks as a result of the size and scale of the contract payments, those risks are being managed effectively by the Authority.

#### **6. HR Implications**

- 6.1 There are no HR implications associated with this report

#### **7. Environmental Implications**

- 7.1 There are no environmental implications associated with this report.

#### **8. Financial Implications**

- 8.1 There are no new financial implications arising from this report

#### **9. Legal Implications**

- 9.1 There are no legal implications associated with this report

## **10. Conclusion**

- 10.1 Internal Audit complete their agreed programme of work to ensure the Authority is managing the risks it faces. In this case the significant inherent risks attached to contract payments have been reviewed and the conclusion is that the Authority can take a high level of assurance about the way those payments are being managed and controlled.

The contact officer for this report is: Peter Williams  
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: [peter.williams@merseysidewda.gov.uk](mailto:peter.williams@merseysidewda.gov.uk)  
Tel: 0151 255 2542  
Fax: 0151 227 1848

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