

**INTERNAL AUDIT - REPORTS**  
**WDA/06/17**

**Recommendation**

That:

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

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**INTERNAL AUDIT - REPORTS****WDA/06/17****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 The agreed audit plan for the year included a review of the Authority's Waste Contract Management Arrangements
- 2.2 The review considered:
- The final claim for the previous year
  - Verification of the accuracy of monthly payments for the WMRC and landfill contracts; and
  - Verification of the accuracy of the new Cognos System.
- 2.3 The auditor's detailed report is attached at Appendix 1 to this report.
- 2.4 The audit plan also included a review of the Authority's arrangements for Recycling Credits and considered:
- The procedures that local authorities undertake to ensure that claims made are accurate; and
  - That appropriate checks are made by MRWA before payment is made for recycling credits
- 2.5 The auditor's detailed report is attached at Appendix 2 to this report.

### **3. Review of Waste Contract Management arrangements**

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

*“the majority of expected controls are in place but there is some inconsistency in their application. Whilst there is basically a sound system of controls, there may be weaknesses in the design and/or operation of these and recommendations have been made to enhance the control environment further”.*

- 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 three recommendations for improvements which relate to improving the corporate understanding of and resilience within the COGNOS system so that it does not rely on a very small number of staff to manage it. These recommendations are fully accepted and agreed by officers.

### **4. Review of Recycling Credits**

- 4.1 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.*

- 4.2 The auditor has confirmed there are no Key Issues arising from this review to bring to the attention of Members.
- 4.3 The auditor has made no recommendations for improvements.

### **5. Risk Implications**

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

### **6. HR Implications**

- 6.1 There are no new HR implications

### **7. Environmental Implications**

- 7.1 There are no new environmental implications

## **8. Financial Implications**

8.1 There are no financial implications associated with this report

## **9. Legal Implications**

9.1 There are no legal implications associated with this report.

## **10. Conclusion**

10.1 Internal Audit reviewed the Contact Management Arrangements and concluded that they gave 'Substantial Assurance'. There are no Key issues for Members

10.2 Internal Audit also reviewed the Authority's arrangements for Recycling Credits and concluded that they gave 'High Assurance'. There are no Key issues for Members.

10.3 Members are asked to note the reports.

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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.