

INTERNAL AUDIT REPORTS
WDA/18/18

Recommendation

That:

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

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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 reviews.

2. Background

- 2.1 The agreed audit plan for the year included a review of the Authority's arrangements for managing both:
- the Resource Recovery Contract; and
 - the financial systems in place at the Authority.

3. Resource Recovery Contract

- 3.1 The review considered the arrangements in place to ensure that payments made are in accordance with the contract and that performance monitoring and reporting mechanisms are robust.
- 3.2 The Auditor's detailed report is attached at Appendix 1 to this report.
- 3.3 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."

- 3.4 Unusually the auditor added a further paragraph to their assessment of the assurance; as follows:

“A number of recommendations were made verbally during the course of the audit and prompt action was taken by management to address the related concerns. Consequently, there is no requirement to include them in the Action Plan. Whilst evidence of action taken was provided to us, continued compliance will be subject to assessment during the next audit review of the RRC.”

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

4. Financial Systems

- 4.1 The review considered the policies, procedures, income and expenditure, treasury management, payroll and pension services and budget monitoring.
- 4.2 The Auditor’s detailed report is attached at Appendix 2 to this report.
- 4.3 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 of system’s business objectives.”*
- 4.4 The auditor has confirmed there are no Key Issues arising from this review to bring to the attention of Members.
- 4.5 The auditor has made no recommendations for improvements to the arrangements.

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 arrangements for managing the Resource Recovery Contract and concluded that they gave 'Significant Assurance'.

10.2 Internal Audit also reviewed the arrangements for managing the Authority's Financial Systems and concluded that they gave 'High Assurance'.

10.3 There are no Key Issues for Members.

10.4 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.